

October, 1958



AKRON, OHIO

The Credit World

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The CREDIT WORLD

REGISTERED IN THE UNITED STATES PATENT OFFICE

OFFICIAL PUBLICATION OF THE NATIONAL RETAIL CREDIT ASSOCIATION

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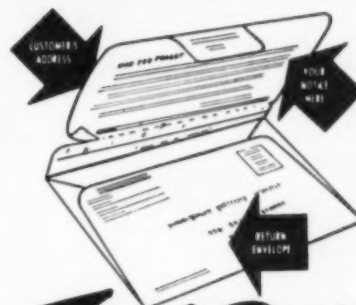
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City of Akron, Ohio

August 11, 1958

LEO BERG
MAYOR-MANAGER



Mr. L. S. Crowder
General Manager-Treasurer
National Retail Credit Association
375 Jackson Avenue
St. Louis 5, Missouri

Dear Mr. Crowder:

Thank you for the dedication of this issue of The CREDIT WORLD to The City of Akron. We are pleased and honored.

As you extend this recognition to Akron's place in the business world, it is equally fitting that we acknowledge the invaluable part played by the many thousands of credit executives in the development and maintenance of our great free system of trade and commerce.

Let me tell you also that we value very highly the contributions to civic effort made by the many Akron credit men and, notably, by Mr. Emmett L. Carter, Secretary-Manager of the Akron Credit Bureau.

Sincerely yours,

Leo Berg
Leo Berg
Mayor



LB:s

Akron, Ohio

The Rubber Capital of the World

JOSEPH E. KUEBLER

Business and Industrial Writer, *Akron Beacon Journal*
Akron, Ohio



FOR MORE than a half century, Akron has been known as the "Rubber Capital of the World." The products of its plants have carried its name to the far corners of the globe. In recent years, however, while Akron has continued the center of rubber manufacturing, its industrial interests have expanded into many other fields. Since the war especially, there has been a marked trend toward diversification, both in its major plants and new ones. Numerous small enterprises both in manufacturing and distribution have moved into the area.

Stamping Plant

Chrysler Corporation's huge stamping plant at nearby Twinsburg and the Euclid division of General Motors' new facilities just to the north of the city are the latest major acquisitions. When in full operation both plants will provide a sizeable boost to the work force in this area. The Chrysler unit, described as the latest automotive stamping plant in the world, is slated to have a payroll of 3,500 at capacity.

Eventually the Euclid division plans to make its headquarters on the site of the new plant ten miles from downtown Akron. The road machinery firm will employ several thousand. What is not generally recognized is the fact that long-distance trucking is the Akron area's second largest industry. A total of 163 motor carriers serve the district with many of them having their headquarters in the city.

Because of the tire firms' interest in promoting the use of their products, Akron also became the birthplace of the long-distance motor carrier business. Scores of trucks move in and out of the city each day carrying raw materials as well as finished products.

Steadily growing industrial payrolls have been a factor in boosting metropolitan Akron's population to just under a half million. Total annual buying power of the 148,000 families in the Akron district has

been placed at \$966 million or an average of \$6,494 a family. Akron's city population is estimated at 304,000, a gain of 11 per cent since the last census with the average family buying power of \$6,553.

Sales Management magazine figures the population of the marketing area of the *Akron Beacon Journal*, Summit County's only daily newspaper, at 719,000 and the total buying power at \$1,350,000,000.

Akron is unique in mercantile circles in that it has two of the largest department stores for any city its size in the nation. Between them, the M. O'Neil Company, a unit of the May Department Stores Company, and A. Polsky Company, a member of the Allied Stores, do an annual business of some \$70 million.

O'Neil's also operate nine other stores in northeastern Ohio which is one of the largest chains within a chain. Polsky's has two other stores outside of Akron in its organization.

Merchandise Circles

Located across the street from each other, these two huge enterprises dominate the city's merchandising circles. Together, they have some 1,600,000 square feet of floor space and 2,300 employees. O'Neil's also operate a four-deck parking facility adjacent to the store with a capacity of 1,150 cars, about 10 per cent of parking space available in the downtown area.

Like many other metropolitan cities, Akron has witnessed the "flight to suburbia" in recent years. Thousands have erected homes in suburban communities and adjoining rural sections. This accounts for the rather modest population increases for the city itself since 1950 which does not fully reflect the growth of the area.

Akron's history has been interwoven with the progress of transportation since its earliest days. It was a little community on the banks of the famed Ohio Canal when it was incorporated 133 years ago.

Along came Dr. Benjamin Frank-

lin Goodrich in 1870 to found the city's first rubber plant, a step that eventually changed the course of the city's history. While it was many thousands of miles away from any rubber plantation, Akron was not without advantages. It had transportation, ample water and an available labor force as well as American ingenuity. This set the stage for the birth of the new industry.

Rubber Companies

Dozens of rubber companies sprang up in the intervening years. Out of the several hundred tire firms that operated at one time in the nation, only 17 remain today, and six of them have their headquarters and principal plants in Akron. Four of the six are among the five largest in the world.

Goodyear Tire & Rubber Company, Firestone Tire & Rubber Company, B. F. Goodrich Company and General Tire & Rubber Company, now world-wide enterprises, do an annual business of over \$3.5 billion. Their products are used throughout the free world. Akron's other tire producers are Seiberling Rubber Company founded by the late Frank A. Seiberling who also established Goodyear in 1898, and Mohawk Rubber Company.

Perhaps because it is a city that is "tire conscious," and tires go with automobiles like ham with eggs, Akron is also an exceptional car-owning community. Its ratio of car ownership to population is among the highest in the nation. Akron has another distinction when it comes to ownership. It is a city of home owners. A recent study showed that 68 per cent of the homes are owner-occupied.

And as Ohio hurries to expand its network of highways, the community stands to benefit immeasurably as these ribbons of concrete are laid across the state.

Only 15 miles from the Ohio Turnpike, which is the state's principal east-west highway, Akron is destined to be equally close to the new north-south freeway that will stretch from Conneaut to Cincinnati. ★★★

The Akron Credit Bureau

EMMETT L. CARTER

Secretary-Manager, The Akron Credit Bureau, Akron, Ohio



THE AKRON Credit Bureau, which is merchant owned, was organized in 1929 and opened its doors for business in February 1930. It came into existence very largely as a result of the activities of the Akron Retail Credit Men's Association which had its beginning in the fall of 1917.

During these nearly 29 years the Akron Credit Bureau has grown from a small group of about 75 members until today it has nearly 900 with representation from practically every type of business, both large and small. It maintains permanent files of credit information for practically all of Summit County. These files contain approximately 700,000 master records built up year after year by the inpouring of information from hundreds of members and by continuous up-to-date checking and staff investigations.

The staff of the credit bureau consists of 64 people of which ten are employed in the collection department. While this group of people includes several who have been with the credit bureau for one year or less yet the entire staff has over 300 years of experience with the bureau. This is a real asset to the entire membership as an efficient bureau employee requires much training and years of experience. Management is proud of this able and co-operative group of people.

Last year over 200,000 credit reports were issued or an average of approximately 700 reports per day. Practically every type of report is issued depending upon the need of the subscriber or creditor. In fact, our service and rate folder carries the slogan of "A Credit Report for Every Need." A list of the reports most generally used, however, includes: Trade or Pay Habit, Special or Antecedent, Chattels and Auto

Titles, Tracing, Signal Unit Service, F.H.A., G.I., Mortgage Loan, Gas and Oil, and the various inter-bureau reports.

The collection department of the Akron Credit Bureau collected in 1957 a total of \$300,671.70. This represented an increase of 5.9 per cent over the previous year. Since the department was opened in 1931 a grand total of over 4.5 million dollars has been salvaged for creditors through the use of this department alone. Last year's recovery was 45.5 per cent. The above figures do not include the amount collected by the bureau's pre-collection letters and final notices which is estimated to run several times the above amount.

A group of our credit managers meet once each week at one of our hotels. Immediately following the luncheon there is an exchange of ideas, methods, procedures and other experiences. Occasionally a speaker is secured to present some phase of consumer credit or a subject closely related to it. The meeting is open to all subscribers of the credit bureau services.

The credit bureau is glad to be of assistance to the Credit Women's Breakfast Club in some of their activities. Their program is largely educational in nature and is for the purpose of preparing them for advancement in their credit work. Our Credit Women's Breakfast Club has been functioning for nearly 20 years. It has an active membership at the present time of some 35 credit women.

Since the credit history of an individual or firm is of much importance to every creditor seeking credit facts and information, it may be of interest to state here some of the information that is continually pouring into this central file, such as:

foreclosures, mechanic liens, divorces, attested accounts, non-responsibility notices, domestic trouble, clippings from daily papers and trade journals, ledger information, collection records, profit and loss accounts, assignments, bankruptcies, evictions, repossessions, incompetents, changes of name, N.S.F. checks, notice of sale, receiverships, trade clearance of references and other miscellaneous items.

The real purpose of a centralized credit bureau, such as the Akron Credit Bureau, is to assemble into one credit file pertinent facts that tend to affect the credit of an individual or firm. Such information is made available to business and professional men upon request. This Purpose has these main objectives in view:

1. To aid the member in reducing losses by keeping his money invested in profitable accounts.
2. To aid the public in establishing credit and in keeping down the cost of merchandise and services.
3. To permit a larger volume of business with utmost safety, and thus promote employment and additional payrolls.

It has been wisely said that a credit bureau adequately organized and efficiently administered is an institution of value in improving the tone of a community's credit. It educates the community to the meaning of credit by orientating for its credit gives the standing of its credit seekers. It translates thrift, sobriety, prompt meeting of obligations, and right living into very real and concrete terms for each individual.

For a credit bureau to serve its members promptly and efficiently and aid in accomplishing the above objectives, requires not only a well organized, trained and cooperative staff of people but an equally well



John Bleichrodt



Winston A. Bryant



Norman Hill



Evelyn Ricelli



May Wiseman



Gloria Zimmerman

organized, trained and cooperative personnel on the part of its members. It is a two-way system. And for the system to work smoothly and effectively, both must work together.

All of the things that have been said thus far about bureau and member cooperation, is for the purpose of aiding the member in maintaining credit control. The temptation is always present for the individual to overbuy and for the retailer to oversell. This is true because the wants of an individual are unlimited and the merchant is in business to sell merchandise.

However, it is not to the advantage of either that this be done. An individual overburdened with debt is not at his best, either as an employer or employee, while slow accounts add to the cost of conducting a retail business. Eventually these losses and increased expenses make for higher prices to the consumer and thus are to the disadvantage of everybody.

There can be and must be an efficient and workable arrangement between the bureau and member. If each will endeavor to understand the problems of the other, nothing can prevent its consummation. It is a case of striking hands and going forward together; the only practical way open to a sound and successful credit business.

It would be remiss of me not to tell you what a fine board of directors and officers direct the policies of the Akron Credit Bureau. They are outstanding businessmen in their own right and are genuinely interested in maintaining in Akron a credit bureau that will not only serve the best interests of all business establishments in this particular area but to assist in every way possible through our state, district and national organizations in bringing about a high degree of cooperation on the part of all creditors and credit bureaus everywhere.

The following people are largely responsible for carrying out the many activities of the Akron Credit Bureau. These six people have 100 years of credit bureau experience to draw upon and a staff of some 60 people to assist them. They are:

John Bleichrodt.—Manager of the accounting department since 1946. He came to the credit bureau in 1939 and for three years served as a messenger. Upon his return from World War II with three years of service, he served as a collector for the collection department until he assumed his present position. Accounts receivable and accounts payable to-

gether with all other financial matters clear through this office. He has two assistants.

Winston A. Bryant.—Manager of the collection department which position he has held since 1945. Came to the bureau in 1935 and for several years was supervisor of both reporting departments. Last year the collection department collected nearly \$1,000.00 per work day. Has a staff of eleven people.

Norman Hill.—Sales representative of the credit bureau since 1954. He spent his first four months in the trade, special, accounting and collection departments learning firsthand what happens in preparing a credit report or collecting a delinquent account. His primary responsibility is to contact prospective members, explain bureau service and answer any question that may arise then or in future, and especially those questions having to do with the value and use of credit facts and information as a guide in extending credit accommodations.

Evelyn Riccilli.—Manager's secretary since 1953, for eight years previous was the assistant. She came to the bureau in 1942 and is familiar with practically every phase of bureau operations, having worked for a time in both the trade and special report departments. Her duties include both the bureau and Merchants' Association with daily activities having to do with civic affairs, bureau and association meetings, and committee work of varied kinds.

May Wiseman.—Supervisor of the special report department which develops all types of antecedent reports. She came to the credit bureau in 1947 and for one year worked in the trade department. Was promoted to specials as a reporter and for the past seven years has held her present position. This has been a fast-growing department with gas and oil, mortgage loan and personnel reports being the three reports in largest demand. The department employs ten people.

Gloria Zimmerman.—Supervisor of the trade department since 1953. For a short time prior to this was the assistant supervisor. She came to the bureau in 1942 as a posting clerk. Her experience with the bureau includes filing, typing, look-up out-of-town desk, trade board, telephone reporting and written reports all having to do with trade and employment information. Experienced in every phase of the department's activities. This is the largest department in the bureau in volume and employs 37 people. ★★★

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A Wholesale Distributor Uses the Credit Bureau

DONALD R. MORRIS

*Treasurer, The Hardware & Supply Company
Past President, Akron Credit Bureau
Akron, Ohio*

IT IS WELL known that our entire business prosperity has as its foundation the prosperity of the individual, and that personal credit may be said to be the basis upon which our entire credit system rests. Our business as wholesale distributor has been established for nearly 100 years and during that time we have been dependent upon the guidance of marginal accounts, counseling customers, and helping them to a strong financial position.

It is true that the bulk of our business is done with large manufacturing companies, however some of these have been developed from the so-called marginal accounts which began as sole proprietorship or small corporations. These organizations have had their beginnings in the most meager way. In many cases there has been a lack of financial responsibility, and the only assets have been two of the "Three C's"—Character and Capacity. Many of our inquiries have been inaugurated through our salesmen who are travelling in the territory, and the information they gather, has been limited.

Credit Information

How can we best get our credit information? Not from a rating book. Our applicant is not known as a seeker of credit in the mercantile field, and the only basis we have for investigation is at the consumer's level. Therefore, our best source is our local credit bureau.

Our problem has been to analyze these applicants, most of whom have had none, or at the best, little business experience. I often think of an example typical of this situation, where we had a young man going into business for himself. He lived in a rented room, had always worked for other persons, and his only assets consisted of a truck with a large mortgage, last week's pay check, and a desire to go into business with a high failure rate. The only source of credit information offered was a men's clothing store and the finance company that took a mortgage on his newly purchased truck. A quick call to the credit bureau showed that he paid the men's cloth-

ing store as agreed and the inquiry from the finance company. The important information was that there was nothing detrimental shown. You will agree a very small basis for credit existed, especially if you placed this inquiry in the mercantile field classification. The applicant's requirements grew, and while at times he had a little difficulty in paying his account, over a period of years this account became valuable; in fact in one month his purchases in a 30-day period totalled in the middle five figures.

Complex Problems

It is to realize that a wage earner going into business for himself, or becoming a member of a partnership, or forming a small corporation, does not realize the complex problems of today's business. Does he have capital? Small, if any. Does he have character? We can help best determine this by the way he handles his personal finances, which information we can get quickly from or through the local credit bureau.

Capacity is always difficult to determine, however knowing how one manages his own personal business may help to evaluate his capacity. Another factor in our extending credit is the problem of personal guarantees of a corporation's indebtedness. We may deem it advisable to request these guarantees when the corporation's request for credit is submitted because of lack of financial responsibilities indicated by the corporation's financial statement.

It therefore follows that we can better cope with this problem if we have a complete report of the guarantor's personal credit standing. Again, we can best get this from our local credit bureau.

It is also a practice in our company to use the credit bureau information as a supplement to information received from mercantile rating agencies. The information from both sources can be cross-checked and analyzed. Sometimes enlightening results follow from the comparison.

The business progress and the personal habits of both the corporation and its officers can be followed

which assists us greatly in trying to establish a policy for handling the credit requirements of these proprietorships, partnerships, or corporations.

We also believe the characteristics of the individuals are transferred to the corporation and if we find that the members of the corporation are substantial citizens of good character and capacity, usually the corporation follows these personal trends and we can establish a good customer on our records.

We also find another assist from the credit bureau because in the present day mercantile credit picture, there has developed a problem that in our business has caused a small turmoil. This is the federal tax lien. These liens have, in many cases, been filed without public notice, and, of course, can jeopardize a creditor's claim to the assets of a debtor. Our local credit bureau has been alert to this problem and this information can be passed on to us when we make an inquiry or if we request a search of the courthouse records, the results being in our hands within a minimum period of time. The knowledge that this information is available without delay has proven invaluable in opening accounts or following collection procedure.

Collection Problems

It is true that all of our decisions did not prove to be right and as a result some of our accounts become collection problems. Many of these, are turned over to our credit bureau for collection because we feel that their knowledge of the customer's personal characteristics and habits, can obtain better results. Our experience shows that we can depend upon the credit bureau to give us thorough and satisfactory service with a reasonable collection charge.

For years we have followed this procedure in opening accounts and solving collection problems. Our department feels that our credit bureau is one of our best employees and that a credit bureau can be of great assistance to the success of a mercantile credit department. ★★★



Operations of the Akron Credit Bureau

T. T. WHITE

*Treasurer-Controller, The A. Polsky Company, Akron, Ohio
President, Akron Credit Bureau*

THE PRINCIPAL function of the board of directors and officers of the Akron Credit Bureau is to set policies and to review their accomplishments from time to time as reported by our secretary-manager. The Akron Credit Bureau has come a long way during the last several years until today we are quite sure that the services rendered by it rank as high or nearly so with any credit bureau in the country.

Our board meets once each month with a prepared agenda for each meeting which includes, among other things, the financial standing and progress of the bureau. We sponsor a weekly credit luncheon, an outing each year and an annual banquet which is held in conjunction with the Akron Merchants' Association with which we are affiliated, to name only a few.

The large central file which is maintained by our credit bureau

contains the pay record and other pertinent credit information of practically every credit customer located in the great metropolitan area of over one-half million people. The fact that it is the one central file for all business establishments interested in consumer credit provides a wealth of information on nearly all customers at the time of inquiry. As a result the losses for many of our firms are below the national average.

We in Akron are proud of our bureau and much credit for its recent accomplishments are due in large measure to the leadership of our secretary-manager and to his able staff of some 65 people. In fact the bureau has increased its membership and expanded its services so much that a building to house it was purchased last January. The new building, when available, will

allow for much additional expansion as it contains 18,000 square feet of floor space against 4,200 at our present location.

The officers and board of directors of the bureau are as follows: President, T. T. White, The A. Polsky Company; Vice President, C. W. Sigel, Bank of Akron; Treasurer, H. J. Bradshaw, Burkhardt Consolidated Company; Secretary-Manager, Emmett L. Carter, Akron Credit Bureau, Inc.; and Board of Directors: H. J. Bradshaw, Burkhardt Consolidated Company; Fred W. Fuchs, Jr., Kramer Clothing Company; Joseph H. Johnson, The M. O'Neil Company; John R. McGinness, Credit Finance Services, Inc.; Don R. Morris, The Hardware & Supply Company; R. V. Schweitzer, The Dime Bank; Carl W. Sigel, Bank of Akron; and T. T. White, The A. Polsky Company. ★★★

Akron Merchants Association

ROBERT A. MEYERS

*President, The W. E. Wright Company, Akron, Ohio
President, Akron Merchants Association*



THE AKRON Merchants' Association is glad to salute many accomplishments of the Akron Credit Bureau which is being honored by the National Retail Credit Association by dedicating this month's issue of *THE CREDIT WORLD* to Akron.

Surely every business establishment that extends credit to the consumer can ill afford not to be a member of their local credit bureau. Without sufficient facts and information as a guide, the credit manager would be guessing. Competition is too keen and the chances too great of tying up a large part of the company's assets in accounts receivable to take unnecessary risks in the extension of credit.

In a sense the Akron Merchants' Association is the daddy of the Akron Credit Bureau as the Association had its beginning in 1912 and helped in its organization. Most of our members use its services with our larger retail stores being represented on both boards. The manager of the credit bureau is also the secretary of our merchant's association.

The officers and directors of the Akron Merchants' Association are as follows: President, Robert A. Meyers, The W. E. Wright Company; Vice President, David W. Bell, Jr., Peoples Drug Stores, Inc.; Treasurer, Jack Goldsmith, The J. Koch Company; Secretary, Emmett L. Carter, Akron Merchants' Association.

Board of Trustees: Willard C. Bear, Bear Furniture Company; David W. Bell, Jr., Peoples Drug Stores, Inc.; Nathan Bernstein, The Federman Company; Roger A. Burrell, Beacon Journal Publishing Company; Owen Freeman, Scotts Store; Jack Goldsmith, The J. Koch Co.; L. H. Gries, The M. O'Neil Company; Elmer Jackson, First National Bank; L. J. Jacobson, Jacobson's, Inc.; Robert A. Meyers, The W. E. Wright Company; George Nobil, Nobil Shoe Company; R. C. Reiling, Sears, Roebuck & Company; LeRoy Shaw, LeRoy's Jewelry Company; Glen H. Thayer, The Ohio Edison Company; Glen Waltrip, Lang Clothing Company; and E. D. Warner, The A. Polsky Company. ★★★



Hospital Credit Procedures

CHARLES R. E. BADGER

Assistant Director, Akron City Hospital, Akron, Ohio

HOSPITAL CREDIT procedures have been discussed by many. For every hospital will find some variance in workable systems. Each hospital must have a plan which is tailored to the requirements of that individual unit. In our own city we have several different approaches to the problems which still are basically the same. The physical structure with which you work plays a role of great importance, and the credit department should lend itself to easy accessibility.

In our city, credit problems vary to a great extent from those of many locations. We consider ourselves fortunate to have a majority of the large industries under third party coverages which pay billed charges. We operate in close liaison with these carriers and find many of our problems solved at the point of admissions or shortly thereafter. A good share of our credit problems arise from ambulatory cases which are not covered, either by nature of the treatment or because of the ineligibility of the patient. We also face a problem on these ambulatory cases due to the large transient population in the area.

Admitting Office

Our admitting office (not to be confused with the credit department), plays a definite and important role in enabling credit to have a clean, concise picture regarding the patient, employment status, party responsible for bills and any pertinent data. We attempt to obtain only authentic factual data and do not conduct a credit interview at this point.

With adequately designed forms, the people in the admitting office can be well-trained to perform a valuable assistance in collecting the final bill. Even before the patient is admitted, certain factual information

can be obtained from the office of the admitting doctor when he calls to request an admission date and accommodations for a patient.

Patients who are admitted without third party coverage are referred to the Akron Credit Bureau for checking. Those reported as good credit risks are approved for discharge without a payment. Following discharge, a statement is rendered toponed.

Insurance Card

In cases where a patient enters and tenders an insurance card which represents a reputable insurance plan for complete coverage, the admitting office makes note of the necessary information and secures both a release of information and an assignment of benefits. This information is forwarded to the credit department and upon certification of the eligibility of the patient, the case is referred to billing upon discharge. No payment is required on discharge and there is no further patient credit contact necessary.

Fully completed admission forms can enable the credit interviewer to better know what questions to ask the patient. He can then ascertain the financial status and ultimately the all important "How will the bill be paid?"

At the time of admission notification is transmitted to the credit department that the patient is in the house in a definite room and type of accommodations. A credit history sheet and follow-up envelope are sent to the credit department already imprinted with the vital statistics regarding the patient. The credit history sheet better enables the interviewer to know details prior to a floor visitation with the patient. The follow-up envelope is utilized to file correspondence relating to the patient. The back is ruled with ap-

propriate spaces for listing total billings, dates the credit letters were mailed, arrangements made by the patient and finally a supplemental record of payment.

At the time the above are sent to the credit department, an accounts receivable ledger is sent to the cashier's office. Daily, a list of all admissions is sent to the cashier's office as a check that they have received a ledger for each patient admitted.

Upon the second day, patients with credit problems are visited. The interviewer leaves a specially prepared form which requests a relative to come to the credit office within a prescribed time. If none of the patient's immediate family are available, the interviewer can and does question the patient, first bearing in mind that his physical condition will not be impaired by increased tensions from financial worries. At either time the interviewer calls upon the patient, he may request a signature on assignment forms which for expediency may have been postponed.

Charges for Service

The cashier's department records all charges for services to the patient on a daily basis. A total bill can then be determined on short notice when the patient is discharged. If the billing is a direct payment, the cash is posted and ledgers filed; however, this is not generally the case. The usual case is handled through a third party, such as an insurance carrier or a charitable agency.

Because of the variety of coverages by insurance programs, we have trained our billing department personnel to be a group of specialists, each handling certain types of cases. There is an ambulatory clerk, a Blue Cross clerk, a factory in-patient clerk, a charitable agency clerk,

THE 45th ANNUAL INTERNATIONAL CONSUMER CREDIT CONFERENCE

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National Retail Credit Association

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How Banks Use Credit Information

CARL W. SIGEL

Vice President, Bank of Akron, Akron, Ohio
Vice President, Akron Credit Bureau



CREDIT is as essential to a bank as a pilot is to a ship. Credit information about a customer or business concern is needed in every loan transaction. Such information is obtained from retail credit bureaus, Dun and Bradstreet, other banks, loan and finance companies, and mercantile concerns. Retail credit bureau reports are most valuable when credit is being extended to the individual. These reports are a storehouse of information on why the individual has paid previous indebtedness elsewhere. Bureau reports show many other things of value to a bank in credit granting such as domestic court trouble, non-responsibility notices, trusteeship actions, and federal tax lien filings. Dun and Bradstreet reports and credit information from banks and mercantile concerns are most valuable in extending credit accommodations to business organizations.

A most valuable source of information is the bank's own central information department. Here is stored complete information on each cus-

tomers showing all open loans for that customer, the existence of savings accounts, safety deposit boxes and checking accounts. The credit department of the bank shows past performance records on loans for each customer and in our own bank we note on each customer's liability card the date and amount of any federal government tax lien filing. The maintenance of this kind of credit information protects the borrower as well as the bank. Particularly where federal tax liens are involved.

One of our customers came to us about financing a boat purchase but the seller objected to a search for federal tax liens, so the buyer refused to go through with the deal. It was well that he did, for later investigation revealed that there was a tax lien on record and the buyer would have been unable to obtain an unequivocal ownership in the boat. Another customer was contemplating buying a farm tractor from a neighbor whom he had known for sixteen years. Our customer did not

think it was necessary for us to check to see if there was any mortgages against the equipment. We checked anyway and found three finance company mortgages against the equipment. Needless to say, our customer was delighted at our having kept him out of trouble.

Our commercial loan department maintains up-to-date financial statement information on every borrowing account and spread sheets are kept on a very current basis to determine trends of a customer's business.

We consider it highly desirable to do some credit checking before opening checking accounts. Much time can be saved by refusing to take on a poor risk who consistently abuses the checking account privilege. The availability of up-to-date credit information, whether derived from a credit bureau or the bank's own credit department, is invaluable in making for harmonious banking. It is a current statement that "a loan well made is a loan half paid." ★★★

etc. This has worked well, especially because several key people can handle several types of work when illness strikes the group or during vacation periods.

When the billings are completed and mailed, a copy of the billing is given to the credit office for follow-up and collection purposes. This copy of the billing is kept in the credit envelope during all collection procedures. It is often utilized by credit personnel when questions arise.

Following the mailed statement we await payment for a period of 30 days when we start our follow-up procedure which includes:

1. A statement of the balance due is sent after no payment is received for 30 days.

2. After an additional 30 days, we mail a mimeographed letter which is subtle in connotation that the account may have been overlooked.

3. After two more weeks without apparent results we send a more direct letter warning that collection measures are impending. In this let-

ter, we state that five days will be allowed for the patient to contact the office and make arrangements.

4. After the above letter has been mailed five days and no answer is received, the account is given to the collection agency for their collection procedures. The subject of ethical collection measures has been a real problem for some hospitals, but to date, since my tenure at this hospital, we have received no complaints of pressure tactics or poor collections ethics, which is a definite aid in maintaining good community relations.

5. The final step in collection procedure is as follows. After an agreed time has elapsed and the collection has not been effected, the collection agency may then return the account to us with the recommendation that legal action be authorized through an attorney.

In addition to the above routine follow-through on these problem cases, we have devised form letters for past-due accounts. These are merely reminder letters that call attention

to the fact that payments are not being made as arranged and requests compliance such as agreed upon by both parties.

During the recent "recession period," we have instituted a form letter which, for want of a better name, we call the "tough luck letter." This is addressed to those who write us that they have had a stroke of bad luck. We ask them to make a token payment on a regular basis to keep their credit standing high. In return we assure the patient that we will not undertake collection procedures as long as they pay their token payments.

Every day presents new challenges. All of us can relate tales of the joy, pathos, and often the humorous side of credit work. We all have seen cases where we would like to dip into our own resources to assist someone and we have seen those whose sole object was to take advantage of us. We have all studied and learned by practical experience, yet new problems of credit are constantly before us. ★★★



Productivity on the March

PAUL E. BELCHER

Vice President and Cashier, First National Bank
Akron, Ohio

WE ARE gradually pricing our goods out of the market both at home and abroad. This trend cannot continue indefinitely without serious consequences to our economy.

The trouble is basic. American labor costs per unit of production have been rising too rapidly in recent years. Productivity simply has not been keeping pace with the increasing cost of producing and distributing our products.

Two developments have inevitably resulted: (1) Foreign goods have found increasing acceptance in the United States; and (2) more and more companies have been impelled to build factories overseas. In other words, we are importing merchandise and exporting capital in expanding volume.

There is nothing wrong with these practices from a world viewpoint. They aid consumers and promote profitable business. But what will their future effect be on the average American citizen—particularly on factory employees?

New products and greater efficiencies on our part will help, no doubt. But they alone are not enough because the equivalent of American equipment and techniques are available everywhere. The United States no longer holds a corner on either tools or know-how.

We must make the free enterprise system work successfully for us despite worldwide competition. The imposition of bigger and better trade barriers is not the answer either.

As consumers, we are entitled to the best merchandise the world has to offer at fair and equitable prices. Furthermore, the markets of the entire world must be open to us, as producers.

Americans constitute less than seven per cent of the world's population. Thus, over 93 per cent of all potential demand for our products lies outside our borders. Potential demand is not now actually demand, of course; but, with time, it can be cultivated into just that.

A provincial attitude on our part is unreasonably restrictive. Surely, we should not limit our output to the needs of a small fraction of the world's people, like our own, when

an ever-expanding proportion of all peoples will be able to buy our stuff if made available to them at the right price.

The challenge squarely faces us. It cannot be met by annual wage increases which exceed our average long-term productivity improvement. The increase in productivity in the United States has averaged 2.1 per cent a year computed annually over the last half century.

Short-term changes in productivity are poor guides to wage raises because variance in productivity from year to year is often great. The big single-year gains are highly unstable.

Ten times since 1909 negative productivity results have been shown. In 1917, for instance, a drop of almost eight per cent over the previous year was experienced. Two years later a gain of more than 12 per cent occurred. This was the highest on record. Still, the average increase in productivity for 1917, 1918, and 1919 was only a shade better than two per cent a year.

Increase in Productivity

Three times during the 50-year period—in 1910, 1913, and 1927—no productivity change took place. On the other hand, productivity increased seven per cent in 1922; 9.2 per cent in 1934; 7.2 per cent in 1935; seven per cent in 1944; and 7.5 per cent in 1950. These five years with 1919 were the best of the last 50 years from a productivity standpoint.

The last two years have given economists pause. The rate of productivity in 1956 was only one per cent better than that of 1955; and 1957 merely duplicated the attainment of 1956. What 1958 will do is still in the making though the recession probably will have improved it.

Nor can the productivity achievements of each industry or each company be safely used in determining wage rates. This would eventually lead to extreme wage differentials among industries, if not among companies, and would make price reductions impossible.

More labor-saving machines must be installed, of course. But beyond that, the machines must be intelligently used. Neither unnecessary

personnel nor idle equipment can lower the costs of production.

Naturally, with fully utilized machinery, fewer factory workers should be required to maintain present output. The number of American workers in industry, however, could very well increase with the passage of time. More things should be produced each year and our markets should be constantly widened to satisfy foreign as well as domestic demands.

A lessening percentage of the population will be needed in production and an increasing percentage of it in services in future years. That is the outlook. It should instill neither fear nor worry in us.

Why not let automated machines do our work? People will be fully occupied in supplying the brains and the contacts with each other. Custom work including research, development, maintenance, and repair will require individual skills and attention.

Making our products competitive in world markets does not imply a lower standard of living for Americans. It should not create unemployment in this country. But a fully effective "buy-American" program would soon throw out of employment at least five million Americans now gainfully engaged in foreign trade.

Attempting to isolate ourselves from the rest of the world is no longer a practical way of living on this planet. We must equalize the advantages low wage rates give manufacturers in many foreign countries by greater vision and productivity over here.

Meanwhile, productivity gains which do occur cannot be wholly passed on to labor. Some part of future gains must be allocated to consumers. That is the only way we can bring our prices down.

American prosperity in the world of tomorrow just cannot be sustained unless we can sell our output in ever-increasing quantities beyond our own borders. We have no choice except to do what we must to insure this end.

Among other things, that means prices must be lowered while quality

More Volume Through Charge Account Solicitation

JAMES W. CARGILL

*Credit Manager, The A. Polsky Company
Akron, Ohio*



SHORTLY after World War II our store manager sat down to analyze ways and means of obtaining more volume.

We knew we had merchandise in wide assortment—our sales promotion division was adept in creating the desire to buy, but one fact was immediately apparent: We were deficient in the number of our credit customers. The great sales potential of loyal charge customers—the customer who traditionally buys many times more than a cash customer, was yet to be exploited.

We immediately planned and put into operation a large scale program of charge account solicitation and credit promotion—an all-out effort to use to its full advantage one of today's best tools for selling.

Credit terms became a part of all of our newspaper and radio advertising, and ads were scheduled periodically explaining our credit terms and publicizing the conveniences and advantages of our credit plans.

A charge account solicitation program came next. We wanted to open charge accounts—A great many charge accounts—but do it without requiring any effort on the part of our potential customer except to use the account once it was opened.

Available, up-to-date directories for our area were checked first of all against our existing charge account list. Names of people living in undesirable neighborhoods were next eliminated.

We then began writing names and addresses—all the information available to us—on reporting forms provided by our local credit bureau. These forms were sent daily to the bureau for a credit report. In addition to all the credit information in file, the credit bureau gave us the last-known place of employment and spouse's name, if available.

From these reports, charge accounts were opened, and placed in a

file separate from our existing accounts. A strong, personalized letter of notification was sent to each customer, and at the same time each customer was mailed a Charga-plate.

As an account was used for the first time, it was placed in our regular charge account file. We were thus able to accurately check the usage of these new accounts.

The original letter was timed one month before our annual anniversary sale and was followed up after a three-week period with a second letter tied in with our big sale event. This effort, though expensive, was an unqualified success in every way resulting in two thirds usage of these new accounts in the first two years and with no unusual increase in bad debt losses.

The period following the war was the perfect time to embark on an ambitious program such as ours for the pent-up needs and desires of the consumer sold goods without any tremendous effort on our part. We made it convenient for them to buy and they developed the charge account habit in our store.

There is a continuous solicitation on all charge accounts through direct mail advertising and catalogues, and letters to inactive accounts are sent periodically—always with a merchandise tie-in—as well as “zero balance” statements six times a year.

We next set out to tie our credit division in more completely with the selling of merchandise—to make credit selling in our store easier, faster and more convenient for our customers.

Few stores can afford to give up precious selling floor space on conveniently located lower floors for a credit office. It is most likely to be near the top floor—as ours is. We therefore set out to make it as easy as possible for more customers to open an account—without going all the way to the credit department.

Most important, we have trained our entire selling force to be, in effect, credit interviews. When a customer makes a purchase and pays cash, or asks to have her selection sent C.O.D., the salesclerk immediately offers a charge account and takes the necessary information on a clerk solicitation form. The salesclerk is paid a silver dollar for each accepted account.

But we go even further. In every department where merchandise can be purchased on extended terms, the salesman can and does take care of all of the details for the customer. Terms are discussed and arranged, a down payment accepted, contracts are signed, and, of course, a credit application taken if necessary.

The salesman then can telephone the credit office for authorization—providing his customer's credit is established—and the merchandise started on its way to the customer.

This procedure to some may seem to take up valuable time the salesman could use waiting on another customer. The system did not evolve over night. Beginning with one department we held a discussion and training meeting and sold our idea to the salespeople showing them the advantages and convenience of only one person handling his customer and suggesting ways of working this necessary credit detail in with his closing of the sale. Then the plan was expanded throughout the store.

It has now been in operation nearly 10 years. Each one of our salespeople is given a handbook of credit facilities by the training department when he is hired, and is thoroughly briefed on credit terms and policies.

In our store we realize that we sell on credit terms for two reasons—to increase sales and to render customer service. We, therefore, do everything we can to make it easy and convenient for our customers to establish and use their credit. ★★★

is maintained. Moreover, sales must result in profitable operations. We can neither price ourselves out of the market nor out of business.

The day is gone when the American market alone can absorb our entire production or should be ex-

pected to do so. A considerable part of it will simply have to be exported. This is fine, but it makes importing the products of other countries unavoidable.

When those products arrive, some of them will have to be offered for

sale in competition with our own goods. In a free economy, the public has an absolute right of unrestricted choice. The makers of American goods must be good enough to compete—they must be permitted to do so. ★★★



Pay Attention to Credit Problems

H. C. BRAWN

Credit Manager, Akron District, Firestone Tire & Rubber Company
Akron, Ohio

WHOLESALE and retail credit problems are the same today as in the past years, except that it is now necessary to pay more attention to them. A more complete rundown of the individual or company is essential prior to the extension of credit.

A four-point program must be followed to insure the proper extension of credit and the necessary collection follow-up. The program is as follows:

1. Secure a complete application from each account.
2. Completely investigate each application and extend credit to only those customers entitled to it.
3. Secure an adequate down payment. Extend terms not to exceed policy.
4. Maintain a vigorous follow-up on all accounts that become past due.

Close coordination between the sales and the credit department is necessary at all times. It is next to impossible to do business on a volume basis without the granting of credit terms to retail customers. This may be extended in various ways such as regular 30-day accounts, revolving credit plan or extended budget terms. Through these three credit plans we are able to handle the customer's credit request.

In all plans it is to the customer's advantage to pay off his obligation as soon as possible. On budget accounts the payments should be set to coincide with the customer's paydays. For that reason "payday terms" are advertised and where the customer makes his payments in person, it is helpful in creating additional store traffic and exposing the customer to additional advertised bargains and results in add-on sales or additional cash sales.

Secondly, where the customer does not respond to payday terms and meet his obligation it is a warning to the alert credit executive that he may be faced with a fictitious name or address and also that he may be a skip account. This will result in immediate collection activity. It is extremely necessary to analyze closely the retail customer's credit application and particular emphasis

should be made on customer's length of residence, phone, stability of job, length of service with present employer, previous employer, résumé of monthly payment obligations, and manner of payments. Name of personal friend or nearest relative living at another address should always be obtained as it is a valuable source of information in the event the account should move and not notify you of a change of address.

As credit manager, we are charged with the responsibility of increasing, if possible, the number of credit customers and of keeping our credit losses to a minimum. It is our responsibility to see that customers are not permitted to jeopardize their credit standing by over-extension of credit. Customers are not aware of this pitfall and are urged on by low down payments, and no down payment advertising. To do this, close contact must be maintained with our credit bureaus in the screening of credit applications. In doing so, it is evident that competition is increasing every day and payment terms are getting lower and down payments lower.

We must be aware at all times of our responsibilities in not only maintaining our practices of effective collection procedures, but at the same time, nourishing and encouraging a new high in retail store policies which will in turn reflect in an increased volume, the ultimate goal of every businessman.

In dealing with our wholesale or dealer accounts many of the previous credit policies mentioned must be adhered to. So that we may be successful, it is imperative that we are associated with a dealer clientele that is worthy of our credit extension to him and of giving him a credit limit which he justifies. The dealer must in turn extend credit to his retail customers on a basis that he is assured of the necessary turn of his receivables so that he can meet his obligations and discount when due.

In determining a dealer's credit limit it is necessary to establish also a "dating limit" which is necessary to permit extension of special terms on various merchandise being granted presently on such items as tires,

home and auto supplies, seasonal items, etc. These terms are given for various reasons such as keeping the production limit in full production in off seasons, eliminates excessive warehousing and handling by the manufacturer, also gives the dealer the advantage of selecting his merchandise at an earlier date and permits him to stock and display the merchandise to help create sales and many times sell the merchandise for cash or credit before the dating terms are due.

With such a program available as a distributor, we must always be alert to the additional credit risk that is involved in extending such dating terms. Many times it is necessary to work directly with the dealer on his inventory and accounts receivable problems. Unless the dealer is selling his inventory and collecting his receivables the account may become a past-due account and a closed sales outlet.

Many times we must call upon the sales department to put on rejuvenation sales with the dealer to eliminate such conditions. In other instances it is necessary to provide such programs as consignment or a certain amount of merchandise on book credit terms which provides for the dealer to own that portion of his stock on an extended payment basis. Some dealers may request large ticket items or white goods on a "floor plan" which may be provided by the supplier or secured through the local bank. Other than these helpful plans to provide merchandise to the dealer, it may be necessary to provide assistance in carrying his accounts receivables by advancing money or credit for additional merchandise. This is secured by a recourse agreement with the dealer. Any one or all of these plans can prove to be helpful to a dealer and also minimize any danger of him going to another supplier, however, all forms of financial assistance must be closely controlled and supervised, otherwise, large losses may be encountered and a valued dealer lost because of miscontrol.

The most important item in either sales or credit is "customer relations and customer satisfaction." ★★★

Credit Women's Breakfast Club of Akron

LORETTA MEYER

**Charter Bus Operations, Akron Transportation Company, Akron, Ohio
President, Credit Women's Breakfast Club of Akron**



TWENTY exciting, informative, progressive years in the background brings us to the approach of our anniversary year with spirited endeavor to make our monthly dinner meetings available to girls who work in credit departments of credit bureau member firms, so that they can share in our objectives of promoting better understanding between women in credit positions; between firms and the credit bureau and receive the benefits of education advancement and the association of other clubs.

In October 1939, the newly organized group in Akron selected as their first president, Ruth Miller, who is currently a Career Club member. She feels that this year's slogan of "Building Today for Tomorrow" by Darleen Crocker, junior past international president, could well have been the goal set 20 years ago, as the modern trend of educating workers after they have chosen their career has been ever-present in our vast international organization.

Through the years membership has fluctuated due to retirement, change of positions, homemaking or family care; however, many of the charter members are still active and at present there are 35 girls in the local club.

We have had one district president, three district treasurers and one recording secretary. The current bulletin editor for District Five's "Lake Erie Breeze" is our own Dorothy Goodhue, who has 16 years perfect attendance at meetings and 25 years in credit work. She is the author of an inspirational installation service which is being used by many of the clubs in other cities. For our bosses' night in April, she designed and made miniature sailing boats as place favors, complementing the theme with foot-high wooden sailboats on either side of a ship formed by red and white carnations for the speaker's table; thus bringing her own "Lake Erie Breeze" into stardom for the evening.

Many talents of the women in business provide our education and entertainment upon occasion. Table decorations apropos to the month or

season enhance the setting for our meetings and discussions. Diversions such as talks on gem stones by a local jeweler, book reviews by accomplished community personnel, an occasional musical program, movies furnished by different firms, panel discussions by local men in the various positions of credit, information on narcotics, traffic, transportation, cancer, wills, legal rights of women and how the law affects us as credit recipients and grantors; all increase the knowledge necessary to prepare us for customer evaluation. We gratefully appreciate the stimulation given us by local citizens in our advancement and growth.

Our yearly manuals and publications periodically contain articles authored by men and women of experience in the credit field which are studied and discussed at meetings.

Awards are presented at the district and international conferences, which include membership, achievement, bulletin, letter writing contests, and perfect attendance.

District officers keep in touch by correspondence with officers in similar positions in local clubs, thus bringing all closer together in the knowledge of the activities of others in our field.

The local bulletin called *The Sunrise Clipper* was named by Bertha

Hinton, one of our retired members, is edited, printed and mailed to our members and the district and international officers, by the Akron Credit Bureau, complimentary to us. It contains meeting notices and articles pertinent to our activities.

Annually, we have one breakfast in July, a picnic in August, bosses' night in April, a rummage sale in March and a beautifully planned Christmas party. Our one community project for the year provides a cheerful Christmas for a deserving family.

The Career Club of C.W.B.C. is a club within a club, comprised of members who have been in credit work for 25 years. Akron's group won a prize at last year's conference for having the largest number of members enrolled. Anna Deiss, who was honored last year by a "This Is Your Life" party, is in her second term as their president.

Extension being a major part of our program to promote new clubs in nearby areas, is holding our enthusiasm and attention this season in the new Portage County Breakfast Club. It has been an inspiration and privilege to share with Frances Powell of the Northeastern Ohio Credit Bureau, their sponsor, their organization meeting and installation. ★★★

Attention, Credit Managers

EVERYONE in the retail credit business needs skill in speech.

TODAY'S SPEECH, a quarterly magazine, is published in January, April, September and November. It is written by nationally-known experts to deal with such problems as: how to organize facts and ideas for oral presentation; how to make ideas interesting, vivid and appealing; and how to conduct meetings and conferences. The style is popular. The content is rigidly edited for practicality and dependability.

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TODAY'S SPEECH

305 Sparks Building

University Park, Pennsylvania



Know Your Local Hospital

PAUL A. HAYDEN

*Assistant Administrator, Akron Children's Hospital
Akron, Ohio*

AKRON is truly a city dedicated to its youth. The fine schools, recreational programs, the soap box derby, Children's Zoo and many other children's facilities all attest to the truth of this. One such facility is the Akron Children's Hospital, one of the largest hospitals specifically for children in this country.

Children's Hospital has grown rapidly from its conception as a day nursery to the present 270 beds for acutely ill children. Largely responsible for this expansion has been the "civic atmosphere" in the Akron area conducive to such a growth—again the spirit of dedication to youth. Even now, expansion is not completed. At present, an education building is being erected. Upon completion early in 1959, this building will house the many facilities required in conducting the educational programs in pediatric medicine. Other phases of expansion are still in the planning stage.

Highlighting the expansion activity was the building fund of 1954-1955. A whopping \$2,609,000 was pledged—the largest fund-raising campaign in the history of Akron. With these funds, six additional floors were added, completely air conditioned and furnished with the latest innovations for hospital care such as piped-in oxygen, suction and compressed filtered air at each bedside. A complete new suite of operating rooms was also added comprised of five rooms equipped for major surgery and three rooms equipped for minor surgery. Other phases of the building program in-

cluded a new laboratory and new x-ray department.

Today's hospital is business. This is necessary. With the advent and growth of prepaid hospital insurance and with more and more people relying on the hospital for medical attention, the financial structure must be governed as it is in business. Since almost \$3,000,000 was invested in medical care in 1957 at Children's Hospital alone, the need for controls and competent guidance is certainly apparent. Even with the rise in prepaid hospitalization insurance, credit problems still remain. Statistically, recent studies at Children's have shown that 85 per cent of all patients admitted are covered by some form of insurance. An additional seven per cent are indigent patients who are subsidized by one of the relief agencies. The remaining eight per cent are "private pay," those requiring careful credit scrutiny. (Eight per cent of all admissions in 1957 represents about 950 patients.) Credit attention is also given to those who have insurance but who have a substantial hospital bill over and above their insurance coverage. Assistance in solving many of these credit problems is gained through the services of the Akron Credit Bureau. Many problem cases are also referred to the collection department of the Akron Credit Bureau.

Credit techniques and problems at a hospital for children only have both good and bad features compared to the general hospital. For example, problems arise because the patient is not responsible for the

debt, and the parents are not always available for credit interviews. Also, illegitimate children, stepchildren, etc., present many problems. On the other hand, the patient is never the "breadwinner" and thus the family income will continue.

In the credit department of Akron Children's constant attention is given to new methods developed in the retail field, for business techniques enter this phase of hospital operations just as in the other areas. For a non-profit institution, every dollar becomes critical.

The hospital structure is twofold. At Children's an average of slightly more than two employees are necessary for each patient. To attract the proper help, salaries and working conditions must be equal to those provided in the area. Employees must be happy in their work and not distracted by personal problems, for a wrong move in a hospital can lead to disaster. One approach to this problem was the establishment of the Mary Day Federal Credit Union ten years ago. Here again, Children's is unique in the hospital field, for the number of hospital credit unions in the country are few. Through payroll deductions, savings are easy and loans are repaid rapidly. Personal counselling is available to all credit union members with financial problems. The success of such a program? This can be answered in terms of assets over \$70,000, or in terms of loans over \$50,000, or in terms of members—300. A credit union is not without problems, however, and in this phase of hospital activity Children's again can turn to the Akron Credit Bureau—primarily for credit checks.

The full story of Children's Hospital's activity cannot be presented in an article such as this. We do have a story to tell—a fascinating story. To accomplish this we are now preparing a series of articles dealing with all phases of the hospital's activity. Print your name and address on a post card, address it to "Series," Children's Hospital, Akron 8, Ohio and we will be happy to put you on our mailing list. Know your local hospital. It is a vital part of your community's organization. ★★★

Department Store Credit for July

INSTALLMENT ACCOUNTS outstanding at department stores declined one per cent during July but at the month-end were two per cent above the year ago. Collections on instalment accounts in July were 14 per cent of first-of-month balances, one point below a month ago and a year ago. Charge account receivables decreased seven per cent during July; month end balances, however, were about the same as a year ago. Collections amounted to 48 per cent of first-of-month balances. Total sales at reporting department stores were eight per cent below the previous month, reflecting decreases in both cash and credit sales. Total sales were up two per cent above those of July, 1957.—Federal Reserve Board.



A Glimpse of Consumer Finance

JOHN R. MCGINNESS, SR.

*President, Credit Finance Services, Akron, Ohio
Director, Akron Credit Bureau*

THE CONTINUING influx into Akron of eager young people, with their manifold consumer wants, integrity, resourcefulness and energy, has created a favorable atmosphere for consumer finance companies. It has been with foresight, therefore, that many of the industry have located here, thereby assisting the area in its rapid development.

Foremost in our thinking at Credit Finance Services has been our social obligation to the community, represented by our many customers and employees. We endeavor to persuade, by expenditures of time, money and energy, that we can render vital economic services. We seek to educate the members of our own organization to keep our customers satisfied and repetitive—to recognize that a valley in a customer's economic graph does not necessarily impair his character or his resolve to pay his just debts. With such constructive attitude we have in many instances won appreciation, and, by word-of-mouth advertising gained many new and profitable accounts.

Anticipatory Planning

Of equal importance here at Credit Finance is our anticipatory planning in the interest of our own people. With present salaries comparable to the best in the industry, Credit Finance defrays the entire cost of employees' life, accident and sickness insurance which includes that of Blue Cross Medical and Surgical. Over the years we have always paid bonuses to members of the company at Christmas time. Given a more favorable economic climate, however, we soon hope that this form of participation will be supplemented by a retirement income plan for each employee based upon a percentage of company profits.

In our 14 years of existence, during which time we have expanded into Canton and Barberton, with a projected branch office for Cuyahoga Falls this September, Credit Finance Services has remained in close liaison with the Akron Credit Bureau. We feel that we have, in a small way

at least, contributed to a share of its growth. Since opening our doors at 316 South Main Street, the credit bureau has been our "blood bank" of confidential information. We deposit all of it, and withdraw when necessary. The credit bureau has been an invaluable credit, collection and sales promotion medium, and has contributed generously to our economic success. During this and past recessions we have leaned heavily on it, and our comparative low loss ratio has amply justified our confidence in the bureau.

Work of Credit Bureaus

No discussion of consumer finance is really complete without reference to the work of credit bureaus. They will become increasingly important to our industry when, as has been predicted, the population of the United States increases by some 40 millions during the next 20 years. There will result a tremendous appetite for goods and services which the people of this country, and of this dynamic area as well, will demand. A corollary of this proposition is that more people will require access to funds which only lending institutions can supply. Whether such institutions will be able to meet such demand and keep industrial America and its millions of workers constantly employed, will depend in a large measure on their operational efficiency and upon the willingness of legislatures to enact favorable laws for the benefit of the lending industry and the borrowing public. Necessary also is effective protective legislation which will relieve that large percentage of honest instalment buyers of the hardship of defraying the cost of losses caused by the dishonest group.

Also important in the area of credit is a recent estimate that 40 millions of people changed their residences in 1957, compared with just over 30 millions in 1953. This disturbing figure has greatly increased the problem of locating past-due debtors, and has placed an additional expense burden upon lending institutions, retail outlets and credit bu-

reaus. Where an average of one or two permanent "skips" per thousand accounts was normal prior to World War II, the ratio today is perhaps five per thousand—and that is a conservative figure!

Going the rounds is the thesis, generally accepted by the public, that the finance industry profits by a recession. It is then, they argue, that people are most in need of money. Recessions are favorable to no legitimate businesses. While more people do seek access to our funds during a recession, that same recession relegates many of them into the class of undesirable risks. On the other hand inflation causes a decrease in ability to lend, with consequent inability of the consumer to borrow. The cause is the meager ratio of interest permitted by small loan acts to the cost of doing business. This reduces the amount of lendable funds available to the borrowing public. A social and economic purpose is thus defeated.

Continuing Demand

Despite these and many other problems for which we of the consumer finance industry constantly seek solutions, the lending industry in the Akron area has been fortunate in that our principal industry, rubber, has had a continuing demand. During tough times the family will hesitate to buy a new car, but it will certainly keep the old buggy rolling—on rubber, that is.

For us the present recession with its unwanted bedfellow, inflation, has resulted in an ultra-conservative approach. Credit Finance has been for the past year scrutinizing critically the character and integrity of its new borrowers. As for our old customers temporarily laid off work we continue to service them, provided, of course, that their past record for prompt payments so warrants. One of these old customers, considerably delinquent, recently presented us with a novel idea. He argued, "I can't pay you now what I owe, but if you'll lend me \$200.00 more, I'll buy a new TV and help lick this slump we're in." We didn't bite. ★★

Speaking of Credit

WILLIAM S. TACEY

Professor of Speech, University of Pittsburgh
Pittsburgh, Pennsylvania

ANY CREDIT MAN who earns his salary will find that he earns most of it by talking. In fact, he spends about nine-tenths of his time talking and listening. Most of the impressions, favorable or unfavorable, which he makes on others he creates by his power of speech. The friends he has were first attracted by what he said to them. Perhaps those who have become his enemies were hurt by what the credit man said to them, or at least by what they thought that he said.

The customers who walk through the credit man's door size him up more by his speaking than by any other means. A quick smile, or friendly wave of the hand supplements what he says and helps put the customer at ease. On the telephone voice alone must carry the credit man's message. All of his meaning must be conveyed by the sound waves which strike the customer's ear drum. Reaction will depend upon the impression which voice and message make upon the listener's ear and mind.

Day to day relationships with one's office staff depends upon speech abilities from the usual morning greeting—or lack of it—to the final word of reminder on how to start tomorrow's business. A smoothly running office staff depends much upon both what the boss says and how he says it, not forgetting how he listens. Were instructions misunderstood, or were they so sketchy as not to be understandable? The forgotten errand may have been given in such an off-hand manner as to have made no lasting impression on the office secretary. Even the best stenographer is more likely to make mistakes when dictation comes through a pipe stem or a cigar stub. For example, try saying "how" with teeth clenched shut on either.

The reports that one makes to his superior are often made against time. Therefore, they must be short and concise, yet they need to contain all of the essentials. The boss must know what is meant as soon as he hears. The impression he gets depends upon the subordinate's skill of expression.

Opportunity for a wider audience comes to the credit man as he addresses local service clubs, church groups, or similar meetings. The successful speaker soon finds his name appearing on convention programs where the reception to his words of wisdom depends upon his skill of expression as well as the wealth of his ideas. By his power of speech he informs his audience of the problems of credit, or persuades his hearers to accept the ideas which he recommends.

Contrary to what some people believe speech professors are more concerned with *what* is said than *how* a speaker says it. Wealth and originality of ideas, accuracy of information, and quantity of knowledge are of most importance to a speaker. Presumably any good credit man knows his business thoroughly and has much information worth telling to others. The ablest

PROFESSOR TACEY has taught several thousand business and professional men how to improve their speaking. He is consultant for such firms as United States Steel Corporation, Blaw Knox Company and Duquesne Light Company. He is president of the Federal Credit Union, University of Pittsburgh and a member of The Credit Bureau, Pittsburgh, Pennsylvania.

men generate the best ideas. They get ideas from the study and research which they do, as well as in the practical experience they gain from their daily attention to business.

But both speech professors and laymen are impressed by the speaker who has trained his mind, voice, and body to present his ideas in a pleasing and impressive manner. Quite apart from the words being spoken one's voice conveys meaning. The listener is soothed and calmed by slow, deep and soothing tones and stimulated by a rapid, high-pitched voice. We can usually tell from a speaker's voice if he is angry or pleased, happy or sad. The trained speaker has developed his voice until he is able to change it to suit his mood. Contrary to the famed Johnny One-Note he can and does vary the pitch of his voice at will from bass to tenor, relying on variety to help hold the audience interest. In addition to a change in pitch he can vary his voice from a fast rate to a slow, or from a whisper to a shout. Now is the need for variety limited to a public speaking situation. Whether the audience is one or a dozen, a score or a hundred, the same need exists to vary the voice to help the speaker hold his audience interest, as well as to express his ideas more impressively. The development of an expressive voice depends upon training and practice, preferably with the help of a trained teacher and a tape recorder, the latter to reveal with brutal frankness the faults which a speaker needs to correct.

How to Convey Meaning

In addition to the use of his voice the skillful speaker employs his body to convey his meaning. Unlike the poker player the speaker attempts to use his face to say what he thinks. A seminary professor told his student, "When you preach about heaven look radiant and happy; when preaching about hell it's all right to use your natural expression."

Gestures can be used either to emphasize or to illustrate what is said. A clenched fist can enhance a statement of determination; a pointed index finger will direct the audience to look in a desired direction. Helpful gestures come with the thought expressed; they result from a perfectly controlled and relaxed body. In contrast, disturbing mannerisms, such as twisting a coat button or scratching one's nose while speaking, may reveal an inner tenseness. Physical movement of a speaker reveals much to the audience. The successful speaker controls his movements so as to convey only the thoughts which he is directing to his listeners.

A once popular game was called jackstraws, its object being to extract one "straw" at a time from a casually dropped pile, without disturbing the other straws. Some speakers use the same method in their speaking. They drop a bundle of thoughts as casually as the jackstraws player, letting them fall at random, and trusting to the listener's skill to extricate the ideas in such a way as to grasp the speaker's meaning.

In contrast there is the method in which the speaker organizes his ideas so that there is little difficulty for the listener to find the meaning. The speech, a few

sentences or a lengthy address, has a well-defined introduction, body, and conclusion. The opening sentences are designed to arouse attention and to direct the listener's interest. The body is for the purpose of stating the speaker's general ideas, and for illustrating and explaining these ideas for the benefit of the listener. The conclusion is used to drive home the ideas and to impress them upon the listener's mind.

In organizing his ideas the speaker begins with the listener, what a contrast to the usual practice of most of us! But the listener is the object of all of our talk. It is he that we are trying to reach. He is the one who will be told if he will be extended credit or not, he is the one who is expected to follow instructions, or be persuaded to make good his promises to pay. The listener is the object of the speaker's attention, yet we, as speakers, still continue to start with our own interests and desires, trusting to luck to win our hearers.

Since the listener's favorable reception of our message is the speaker's object what steps must he take? First, he must be prepared to use language the speaker understands, be it French, Choctaw, or plain English. Office jargon is fine for one's superior, but not understandable to the new clerk. Your perfectly plain order to write to Allis-Chalmers is equally plain in her mind when she writes, "Dear Miss Alice Chalmers." Speaking to a customer about an overdue account when his mind is on a breakdown power shovel may do little but arouse his ire. Why not begin with the shovel problem and gradually link it to yours? The listener's interest as a starting point is as important as is the choice of language.

While speaking the expert speakers keeps the lis-

tener and his interests in mind. This is for the sole purpose of suiting to the listener what is said and the way it is said so as to accomplish the desired purpose. Talking to an inattentive listener is fruitless. Talking softly to one who is hard of hearing equally so. A public address system is planned for the convenience of the audience as much as for the speaker. Whatever the man who speaks can do to help the man who listens will pay high dividends to the speaker.

In considering the listener and his interests the speaker does so for but one reason, that of accomplishing his purpose in speaking. If he merely interests the listener he is nothing but an entertainer. He must inform, or persuade, or convince, whichever his aim may be. In all of his speaking he is looking for a response, a reaction from the listener that is favorable to the speaker's purpose. The effectiveness of the speaker, whether in a telephone conversation, the giving of an order to an office worker, or making a speech at a convention is measured solely by the response it gets.

The rewards of effective speaking are 1) clearer understanding by the listener, and 2) accomplishment of the speaker's purpose. The credit man who trains himself to organize his thoughts convincingly will find people knowing sooner what he is talking about. In developing and using his voice to its fullest capacity he finds listeners paying better attention, and asking him less frequently to repeat what he says. Supplementing one's voice with animated facial expression and lively descriptive and emphatic gestures leads to quicker grasp of the speaker's meaning and faster response to the spoken word. The already capable credit man can increase his proficiency immeasurably by improving his speaking ability. ★★★

Every Credit Executive Should Own This Book

A Reference on Questions Dealing With Usage of Vocabulary and Grammar

WORDS

- 1—How much do you know about the origin of the English language?
 - 2—Do you know the manner in which it has grown in the last 1,500 years?
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 - 4—Do you know the four rules of pure and distinct speech?
- These and many other questions are answered in this reference book. Technical expressions have been avoided to make it clear and easy to understand. A comprehensive index puts each subject at your fingertips and helps to solve the questions that arise daily in every business office, both in speaking and in writing.
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- 7—Rules of Spelling
- 8—Punctuation
- 9—Capitalization
- 10—Division of Words
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- "It is a study that should be valuable to many who would like to get some of the things they did not get from their school training."—Joseph H. Jackson, Late Book Editor, SAN FRANCISCO CHRONICLE.
- "The book is not only readable and interesting, but it should be usable to dictators and stenographers alike."—Carl F. Wentz, Former President, Bank of America NT & SA, California.
- "Your chapters on phraseology and diction, enunciation and pronunciation should be of great value to every reader."—Ann Holden, American Broadcasting System, San Francisco.
- "This book arouses interest on every page."—George W. Hanna, Past President, North Dakota Educational Association.

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CREDIT FLASHES

J. C. Gilliland in New Position

J. C. Gilliland, President, National Retail Credit Association resigned his position with the Pullman Trust & Savings Bank, Chicago, Illinois, to become Credit Sales Manager, Fingerhut Manufacturing Company, 3104 West Lake Street, Minneapolis, Minnesota. He assumed his new duties on September 22, 1958. This company manufactures automobile and electrical items and conducts a specialty mail order business in the car owner field. Their sales have grown phenomenally within the past three years and the need arose for an executive with Mr. Gilliland's broad background in the retail and mail order business. His duties and responsibilities will encompass both operating and policy levels.

Mr. Gilliland left the Pullman Bank after six years as an officer in the Consumer Banking Division. Donald O'Toole, President of the bank presided at a farewell luncheon for him on September 18, 1958.

He will continue as President of the National Retail Credit Association at his new location. Officers and Directors are requested to record the change in address.

Boston Conference on Distribution

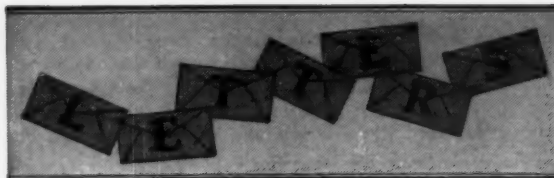
The 30th Annual Boston Conference on Distribution will be held October 20-21, 1958, at Hotel Statler, Boston, Massachusetts. The theme of the Conference is "Distribution and World Progress." The conference is open to all who are interested. The National Retail Credit Association is one of the cooperating sponsors of the Conference.

The Front Cover

THE PICTURE on the front cover of this issue of *The CREDIT WORLD* shows Akron, the "Rubber Capital of the World" as viewed from the First National Tower on South Main Street. A city of 300,000 population with a marketing area consisting of over 500,000 people; it is served by five hospitals, five banks, 12 savings and loan associations, over 500 manufacturing plants, 2,500 retail establishments with a total annual sales volume of approximately \$382 million. Some of the retail stores compare favorably with those found in our largest cities.

Akron is served by the Akron Municipal Airport and the Goodyear Zeppelin Dock, the world's largest building without interior support. The All-American Soap Box Derby, the world's greatest amateur racing event is run in Akron. The Akron-Canton Airport is the third largest in Ohio in area, covering 1,172 acres with over 16,800 linear feet of paved runways.

Akron is also the home of the University of Akron, 49 elementary schools, 14 junior and senior high schools, 20 parochial and one vocational school. It has a large number of churches of practically all denominations. Over 68 per cent of its people own their homes. The average family income is now over \$6,500 per year. The last several years have shown a remarkable increase in the number of new enterprises and industrial expansion under the banner of "Let's Go—Akron."



"The Los Angeles Conference was the most outstanding conference that has been held to date."—Glen D. Ruddy, Secretary-Treasurer, Associated Credit Bureaus of California, Visalia, California.

"May I add my congratulations to the host you must have already received regarding the success of the Los Angeles Conference. We hear fine comments from every one who attended. We all know that the outcome was due to your foresight and leadership. The credit women of the Golden West Council are proud to be a part of this great credit fraternity and be able to share in the results of your vast knowledge and ability."—Marie M. Gower, Hastings, San Francisco, California, President, Golden West Council, Credit Women's Breakfast Clubs of North America.

"We wish to thank you for the nice space you gave Schenectady and the Credit Bureau in particular in the July issue of *The CREDIT WORLD*. All of us had a feeling of pride when we read the issue. As a trustee of Union College, I was also delighted to see the prominent position which it occupied on the front cover and the excellent write-up on the inside."—A. P. Bantham, General Manager, Credit Bureau of Schenectady, Schenectady, New York.

"I think we had a wonderful conference at Los Angeles and it proves the desirability of having the entire convention under one roof. I thought it ran smoothly and I like the way the program was handled and the speakers very much. I was particularly impressed with your group meetings, not only with the attendance but the enthusiasm. It was my privilege to participate in the petroleum and instalment bankers groups and both of them were discussing their various problems enthusiastically."—Donald H. Puffer, Executive Vice President, The Credit Bureau of Greater Denver, Denver, Colorado.

"At the Los Angeles Conference we had excellent sessions in the Department, Apparel, Shoe and Jewelry groups and I believe the question asked represented a higher intelligence than in the past. There was tremendous enthusiasm and participation in the answers. I am still of the opinion that the group meetings are the most important phase of the overall conference."—W. E. Ryan, Credit Sales Manager, Broadway Department Stores, Los Angeles, California.

"Congratulations to you and the Association on receiving a plaque from the United States Chamber of Commerce. We need more contributors in the direction of encouraging the broadest use of consumer consistent with sound business principles and better public education in the proper use of credit."—Paul M. Millions, Vice President, Commercial Credit Company, Baltimore, Maryland.

"Now that the recent Conference is over, I would like to once again express our deep appreciation for your having selected our hotel for this fine meeting. All of us here at the Los Angeles Statler are agreed that it was one of the best convention groups we have had the pleasure of entertaining."—C. Thomas Barrett, Sales Manager, Hotel Statler, Los Angeles, California.

"I deeply appreciate the honor of being enrolled as an Honorary Life Member of the National Retail Credit Association. Also I appreciate the opportunity of receiving *The Credit World* each month."—W. F. Bradley, 816 Magnolia Street, Long Beach, Mississippi.

Dean Ashby, 1958 Scott Award Winner

Third winner of award presented at Los Angeles Conference

DEAN ASHBY, Credit Sales Manager, The Fair, Fort Worth, Texas, was named 1958 winner of the \$500.00 Scott Award at the 44th International Consumer Credit Conference at Los Angeles, California, July, 1958. The creator and donor of the yearly award, George A. Scott, President and General Manager, Walker-Scott Company, San Diego, California, made the award in person. Shown below is a picture of Mr. Scott on the left, and Mr. Ashby at the award ceremonies.

Mr. Ashby is the third winner of the Scott Award. In 1956 the Award was won by Edward Schreiber, Schreiber-Miller Furniture Company, Galveston, Texas. In 1957 the winner was Edward M. Davis, General Gas Corporation, Baton Rouge, Louisiana. The Award will be given for seven more years, Mr. Scott having specified that each year for ten years, the credit executive making the most outstanding contribution in the field of retail credit administration should be so honored and rewarded. Credit executives are urged to enter the district competitions for selection of the district nominee for the top Scott Award of \$500.00 in cash. Details of the Scott Award may be obtained by writing the National Office.

A Pioneer and Leader

Dean Ashby is a pioneer and leader in sales promotion through charge accounts. His earliest recognition for this work came in 1932, when he won first place in a national contest held by the National Retail Credit Association on the most effective plan for developing new business through charge accounts. In 1935 he spoke on "Promotion of Charge Accounts" at the National Retail Credit Association's convention in New York. In 1936 he wrote a booklet, "Credit Sales Promotion and Customer Control," which was published by the National Association, and of which approximately 1,200 copies were placed in the hands of credit sales managers throughout the country. In 1943, while he was serving on the Educational Committee of the N.R.C.A., he won second place in a national letter contest promoted by that organization. In 1944 he again spoke at the Association's national convention, this time on "What Promotional Efforts Should Be Made to Maintain and Also to Improve Charge Business."

Elected National Director

In 1944 he was elected National Director of the Sixth District for the N.R.C.A. He was elected Director at Large for a three-year term at the National Convention in Cleveland, Ohio, in 1946. In 1947 he was elected First Vice President at the St. Louis conference and President at Banff, Alberta, Canada, June, 1948.

In 1945 he was elected for a three-year term as Director of the 13th District of the Credit Management Division of the National Retail Dry Goods Association. Appointed chairman of the committee for "Credit Office Modernization and Layout," he appeared before the Credit Conference in Chicago in April, 1946, speaking on this subject. He again served a three-year term

as chairman of this committee in 1953 and made extensive studies on the subject. Mr. Ashby is a frequent contributor to *THE CREDIT WORLD*, and *CREDIT CURRENTS*, published by the National Retail Merchants Association.

Currently, Dean Ashby is Second Vice President of the Retail Credit Executives of Texas and a member of the Board of Directors of the Fort Worth Retail Credit Managers' Association. He is an active member of the First Methodist Church and Downtown Lions Club of that city. Since April 27, 1953, Mr. Ashby has been Credit Sales Manager of The Fair in Fort Worth. Previous to that time he was associated with the Famous-Barr Company in St. Louis, J. L. Brandeis & Sons, Omaha, and M. L. Parker Company, Davenport, Iowa.

Willingness to Help Others

Howard Chilton, Credit Bureau of Fort Worth, Texas, recently wrote, "One of the things that I admire most in Dean Ashby is his willingness to help others, particularly the younger men who are just entering the field of credit, by instilling in them his faith in his fellow man and to create in them his positive thinking. Although Dean has been recognized with some of the credit fraternity's highest honors, and is loved and respected by all who know him, at all times, regardless of circumstances, he is just 'one of the boys.' His love for people, his faith in his fellow man, and his 'Golden Rule' practice have indeed made Dean Ashby a great man and an honor to the credit fraternity."

The National Retail Credit Association warmly congratulates Dean Ashby on his success. Mr. Ashby is a loyal and active member of N.R.C.A. As past president, he is a member of the Board of Directors and is a regular attendant at all International Consumer Credit Conferences and contributes generously of his knowledge and experience at those conferences. ★★★



For outstanding Credit Bureau service

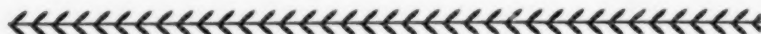
C. WARE BOYNTON

The Credit Bureau of Carbon County, Lehigh, Pa., C. Ware Boynton, manager, won the Award for the 10,000 and under population bracket. Within the competition period, Mr. Boynton visited almost all of Pennsylvania's 72 credit bureaus, making a survey to help correct substandard operation and management.



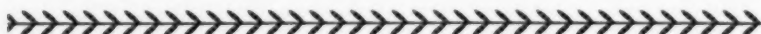
ACBofA

International Achievement Awards



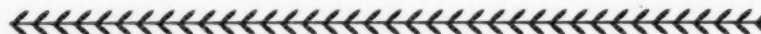
HELEN DAVIS

Winner of the International Achievement Award for the 10,000-20,000 population bracket was the Credit Bureau of Waycross, Ga., Mrs. Helen Davis, manager. Mrs. Davis has conducted training schools for Waycross stores and has been very active in her local petroleum and retail furniture associations as well as in civic affairs.



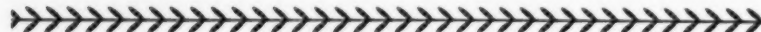
MARY B. MURRIN

For the 20,000-50,000 population bracket, the Credit Bureau of Vermilion County, Danville, Ill., Mrs. Mary B. Murrin, manager, was the Achievement Award winner. During the 12-month competition period Mrs. Murrin served her district credit bureau association as president and participated in various civic affairs.



CHAPIN S. CARNES

The Credit Bureau of Albuquerque, N. M., Chapin S. Carnes, manager, won the Award in the 50,000-150,000 population bracket. Mr. Carnes has been active in both association and civic affairs; and his bureau offers specialized group services, which include a Lenders' Exchange and a Medical Book-keeping Service.



ROBERT K. PINGER

Winner of the 150,000 and over population bracket Award was the Credit Bureau of Greater Houston, Tex., Robert K. Pinger, manager. Within the competition period, Mr. Pinger served as president of the ACB of Texas, conducted two seminars on credit reporting, visited 10 bureaus, addressed 14 organizations and was active in civic affairs.



On July 16, at the 44th annual International Consumer Credit Conference held in Los Angeles, California, five ACBofA credit bureau managers and five collection service managers were awarded the coveted Associated Credit Bureaus of America International Achievement Award.

Winners received bronze plaques bearing this inscription: "For unselfish service and meritorious contributions to the (credit bureau or collection service) profession in our program to better serve the credit granters of North America."

The basis for these Awards, which go to representatives from five different population brackets, is to improve credit reporting and collection service all over the continent.

Increased success in each local office means better inter-bureau reports, better forwarding service between collectors and better service for credit granters and American and Canadian customers.

The International Award honors not only a member office and its manager but also the competent employees who keep its service standards high.

Each ACBofA district nominates one credit bureau and one collection service office from cities in five population brackets: 10,000 and under; 10,000-20,000; 20,000-

For outstanding collection service



1957-1958



LUCILE HUFFMYER

The Credit Bureau of Cisco, Tex., Mrs. Lucile Huffmyer, manager, won the International Achievement Award for the 10,000 and under population bracket. Mrs. Huffmyer is very active in both Association and civic affairs. In 1957 she participated in the program for the 43rd International Consumer Credit Conference at Miami Beach.



CLARENCE C. VAUGHT

Winner of the Award for the 10,000-20,000 population bracket was the Credit Bureaus of Merced County, Inc., Merced, Calif., Donald E. Blauert and Clarence C. Vaught, co-managers. These gentlemen have helped other collection offices revise their bookkeeping systems and have been active in the ACBofA Educational Program.



50,000; 50,000-150,000; and 150,000 and over.

Final selection of the winners is made by the Credit Reporting Division and Collection Service Division Committees. Identities of the contestants are kept secret while the committees are judging.

Contestants are judged on the type and quality of service given by the member offices; managers' accomplishments and civic responsibilities; cooperation with district and national credit organizations; and distinguished achievement in the field of credit bureau or collection service.

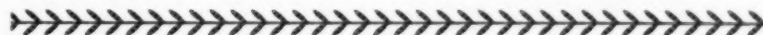
Announcement of the winners was made by Harold A. Wallace, ACBofA executive vice president, on Wednesday morning at the joint session of the Associated Credit Bureaus of America, National Retail Credit Association and the Credit Women's Breakfast Clubs of North America.

Congratulations are extended to this year's Award winners as they accept the honor and responsibility for maintaining and improving the quality of their service. Thanks should also be extended to their local credit granters whose cooperation made possible these Awards. The Associated Credit Bureaus of America offers its deep appreciation to all of you who helped our members grow in service.



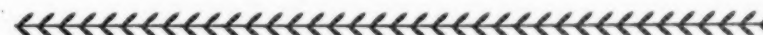
JAMES H. MEE

The Retail Merchants Association of Odessa, Tex., James H. Mee, manager, won the Collection Service Award for the 20,000-50,000 population bracket. Mr. Mee has served as an instructor at the University of Texas Credit Management Institute and has appeared before the annual meetings of the ACB of Kansas and the ACB of Oklahoma.



WILLIAM J. FOLEY

Winner of the 50,000-150,000 population bracket Award was the Credit Bureau of Greater Portland, Me., William J. Foley, manager. Mr. Foley has served as chairman of the CSD of the New England Credit Bureaus, Inc., and as president. He has taught at credit schools and is a member of the CSD Committee, ACBofA.



GEORGE B. ALLEN

In the 150,000 and over population bracket, the Credit Bureau, Inc., Springfield, Mass., George B. Allen, manager, was the Award winner. Mr. Allen stimulated the New England Credit Bureaus to activate a Collection Service Division. He has been faithful in attending every annual meeting of ACBofA and its predecessors since 1924.

CREDIT FLASHES

For Sale

Well-established credit and collection bureau in county seat town in Colorado. Profitable operation. Poor health reason for selling. Box 10582, The CREDIT WORLD.

North Carolina Credit Institute

The Southeastern Management Institute of the University of North Carolina, Chapel Hill, North Carolina, recently completed its 13th annual meeting. The institute, the first of its kind, was started in 1945. Subsequently, institutes of a similar nature have been organized at the University of Illinois, University of Kansas, University of Texas, and Yale University. A sixth institute for management in the credit bureau, merchants association and collection service industry is projected for the West Coast in 1959.

The fundamental objectives at these institutes is to support a sound credit economy through developing leadership of the managers of credit bureaus, merchants associations and collection service offices which, in turn, serve the hundreds of thousands of business and professional men in over 3,000 such offices in the United States.

The instruction staff is provided by the faculties of the Universities, supplemented by the successful executives in the industry. Emphasis is placed on personnel training, record keeping to accurately record how people pay their bills, collection methods to lower bad debt losses, the best means to rehabilitate consumers who are heavily indebted and newest management techniques to aid merchants and business firms to handle the sale and financing of millions of dollars of open credit and instalment sales annually.

The Institute of 1958 had a record enrollment of 135 credit industries from 17 states. The picture below shows the student body. A milestone was passed in 1958 when Mrs. Sue Norman, manager of the Credit Bureau, Sulphur, Louisiana, became the one thousandth executive of a credit bureau to register for the Institute. Registration is limited to individuals employed in a management capacity with local credit bureau, merchants association, or collection service offices.



Coming District Meetings

District Two (New York and New Jersey) and **District Twelve** (Delaware, District of Columbia, Maryland, Pennsylvania, Virginia, and West Virginia) will hold a joint annual meeting at the Greenbrier Hotel, White Sulphur Springs, West Virginia, February 14, 15, 16, and 17, 1959.

District Three (Florida, Georgia, North Carolina, and South Carolina) and **District Four** (Alabama, Louisiana, Mississippi, and Tennessee) will hold a joint annual meeting at the Dinkler-Plaza Hotel, Atlanta, Georgia, April 19, 20, 21, and 22, 1959.

District Five (Kentucky, Michigan, Ohio, Ontario, Canada, Illinois, Indiana, and Wisconsin, except Superior) will hold its annual meeting at the Hotel Faust, Rockford, Illinois, February 8, 9, and 10, 1959.

District Six (Iowa, Minnesota, Nebraska, North Dakota, South Dakota, Superior, Wisconsin, and Manitoba, Canada) will hold its annual meeting at the Radisson Hotel, Minneapolis, Minnesota, April 12, 13, and 14, 1959.

District Seven (Arkansas, Kansas, Missouri, and Oklahoma) will hold its annual meeting at the Mayo Hotel, Tulsa, Oklahoma, March 13, 14, and 15, 1959.

District Eight (Texas) will hold its annual meeting in conjunction with the 45th Annual International Consumer Credit Conference, Dallas, Texas, June 21, 22, 23, 24, and 25, 1959.

District Ten (Alaska, Idaho, Montana, Oregon, Washington, Provinces of Alberta, British Columbia, and Saskatchewan, Canada) will hold its annual meeting at the Winthrop Hotel, Tacoma, Washington, May 16, 17, 18, and 19, 1959.

District Eleven (Arizona, California, Nevada, and Hawaii) will hold its annual meeting at the Senator Hotel, Sacramento, California, February 21, 22, and 23, 1959.

Position Wanted

CREDIT MANAGER. Department and specialty store credit and collection experience. Have supervised cycle billing and revolving credit. Accounting experience. Will locate anywhere. Available at once. Résumé on request. Box 7582, The CREDIT WORLD.

Henry H. Heimann

Henry H. Heimann, 66, Executive Vice President of the National Association of Credit Men died suddenly September 12, 1958, at Winnipeg, Canada, where he had gone to address a credit conference. Born in Aviston, Illinois, he began work as an accountant in 1914 after graduating from St. Louis University. He was progressively auditor, assistant treasurer, credit manager, treasurer and vice president of the Kawneer Company, Niles, Michigan. He left in 1931 to become executive head of the National Association of Credit Men. In 1934 Mr. Heimann was director of the United States Shipping Board. He also served as executive vice president of the Credit Research Foundation. He was chairman of the Democratic State Committee of Michigan from 1928 to 1930 and a delegate to the Democratic national conventions in Houston, Texas, in 1928 and Chicago, Illinois, in 1932. Mr. Heimann had been a member of the executive committee of the Business Advisory and Planning Council for the United States Department of Commerce and vice chairman of the industrial committee, National Recovery Administration. He had been a captain in the Naval Reserve. Mr. Heimann had many friends among the retail credit fraternity and was a strong booster for the National Retail Credit Association. He addressed our annual conference in Chicago in 1951 and frequently contributed articles for *THE CREDIT WORLD*.

To the members of Mr. Heimann's family the officers, directors, and members of the National Retail Credit Association extend their heartfelt sympathy.

Erwin E. Singleton Honored

Erwin E. Singleton, Manager, Credit Bureau of Beaumont, Beaumont, Texas, and President of the Associated Credit Bureaus of America, was honored with a testimonial dinner at the Hotel Beaumont recently. He was presented with a plaque and cuff links for his 19 years of service to retail credit organizations. Howard Hicks, President of the Chamber of Commerce, was master of ceremonies and was introduced by Miller Lattimore, President of the Retail Credit Executives of Beaumont. Addressing the dinner were: I. F. Betts, President, American National Bank; Roy S. Nelson, President, Gulf States Utilities Company; J. E. R. Chilton, Jr., Manager, Merchants Retail Credit Association, Dallas, Texas; Harold A. Wallace, Executive Vice President, Associated Credit Bureaus of America, St. Louis, Missouri; and Mrs. Beulah Oborski, executive assistant to Mr. Singleton. The Rev. Charles Williams, pastor of Trinity Methodist Church, gave the invocation. Mrs. Singleton was introduced and presented with a bouquet of flowers. Also introduced were their three sons.

Shown below is a picture taken at the affair, left to right, Miller Lattimore, Harold A. Wallace, Erwin E. Singleton, Mrs. Beulah Oborski, I. F. Betts, Roy S. Nelson, and J. E. R. Chilton, Jr.



Leland S. Somers

Leland S. Somers, 63, Credit Sales Manager and Assistant Secretary, McCurdy and Company, Rochester, New York, died September 10, 1958, while on vacation at Cape Cod.



While a student at the University of Rochester in 1916 he joined the New York National Guard and went to the Mexican Border Campaign. Afterwards he served 13 months overseas and then returned in 1920 and graduated from the University of Rochester where he played football. Mr. Somers had been with McCurdy's for 23 years. He was a past president of the Rochester Retail Credit Association; treasurer of the Rochester Credit Men's Service Corporation; director and past chairman of the Rochester Credit Council of the Chamber of Commerce; and a director of the National Retail Credit Association. He appeared on the program of our Los Angeles Conference and afterward made a trip to Hawaii. He was a past commander of the Stewart Post, American Legion; a past president of the Cosmopolitan Club; and a member of the South Avenue Baptist Church. A member of the Quarter Century Club of the N.R.C.A., he attended the annual breakfast in Los Angeles.

He is survived by his wife, three daughters, three sisters, a brother and four grandchildren. Mr. Somers was a loyal member of the National Retail Credit Association for many years. The officers, directors and his many friends throughout the United States and Canada extended their heartfelt sympathy to the family on the loss of one so dear to them.

Charles L. Ferris Retires

Charles L. Ferris, who has been affiliated with the Retail Credit Association of Portland, Portland, Oregon, since 1910 retired recently. He was at that time and for 13 years Credit Manager of the Portland Gas and Coke Company. For the following 10 years he was Credit Manager for Powers Furniture Company and for the past 27 years was Manager of Credit Sales for Montag, Inc. He served for a number of years as director of the credit association and was twice its president. He took a leading part in the founding of the collection department and assisted the late John Keeler in the establishment of the Credit Reporting Company which later became the reporting division of the association. He plans to remain in Portland and is expected to be of considerable assistance in the financial affairs of his church. He now becomes an honorary life member of the National Retail Credit Association. We wish for him many years of happiness and enjoyment.

Positions Wanted

FURNITURE STORE CREDIT AND COLLECTION MANAGER. Age 32, fully experienced. Presently supervising over 12,000 instalment accounts. Will relocate. Complete résumé on request. Box 10583, *THE CREDIT WORLD*.

OFFICE, CREDIT AND COLLECTION MANAGER. Over 30 years' experience desires a position in industrial, mercantile or retail field. Degree in Business Administration and taught credit and collections in University for 12 years. Complete résumé and references on request. Presently in Middle East but can relocate. Prefer Northeastern Ohio, Western Pennsylvania or Southwest. Box 10584, *THE CREDIT WORLD*.

CREDIT DEPARTMENT

Letters

LEONARD BERRY

OF ALL THE areas of credit department correspondence, adjustment problems are dreaded most. Customers with complaints are often unreasonable. They make seemingly outrageous demands. Perhaps because they themselves feel to be on uncertain ground, they tend to make up for their uncertainty by a display of anger and often insulting hostility.

By their very nature, adjustment problems hold immense possibilities for creating good will or for turning friends into active enemies. The outcome depends on the words and deeds of the person making the adjustment.

Most firms will, as a matter of sound policy, turn handsprings, as it were, to make satisfied customers. It is often easier and cheaper to keep an old customer than to gain a new one. Every established customer represents an investment. Thoughtful and generous handling of adjustments helps to protect that investment.

It must be remembered that most of the complaining letters that come in were written in the heat of anger. Having written the letter, the customer has "burned off" much of her anger. If, in the reply, the adjuster rehashes the complaint, the customer gets angry all over again! Instead, highlight the *solution* and minimize the *complaint*.

Sometimes it is wise to keep the reply to a simple assurance that the matter has been fully taken care of. The customer is primarily interested in what is going to be done about her complaint. A lengthy and perhaps argumentative reply, pointing out how unfair and unreasonable she is, certainly will not build good will.

Adjustments are often made, but made unwillingly and grudgingly. This doesn't do any good. The firm has suffered the loss in making the adjustment, surely it is only common sense to salvage as much good will as possible by appearing to be gracious and cooperative.

The vast majority of customers are convinced that their complaints are entirely justified. From their favorite store they expect friendly and considerate treatment. And it is what the customer *thinks* about a matter which is important, not the narrow, legalistic judgment of where precisely will we place the line between fair and unfair, right and wrong. Many of America's finest and most successful stores have been built on the reputation they have earned over the years of *making satisfied customers*.

In credit management we have learned the undeniable truth that the vast majority of customers are completely credit-worthy. They control their credit commitments with extreme care. To be sure, we watch out for the tiny minority who are credit-unworthy, and who can do great harm if uncontrolled, but our principal preoccupation must be with the far greater number of fine, wholesome and honest people; our attitudes must be geared to *their* standards.

This holds true in adjustments, too. A few unscrupulous persons will try to take advantage, but the *vast*

majority will not. Accordingly, we should seek opportunities to say "yes" in adjustment matters; just as we do in credit matters. The friend-losing "no" should be used sparingly and only after much consideration. "No" closes doors of friendship while "yes" swings them wide open. The principles we have learned in credit are just as valid in adjustments. All but a small handful of people are worthy of our complete trust and confidence.

This Month's Illustrations



All our letter illustrations this month come from Akron, Ohio, the city we honor by dedicating to it this issue of *The CREDIT WORLD*. It happens that all the letter illustrations are collection communications. This is perhaps fitting because October is a month of diligent preparation for the heavy shopping season now developing momentum. Every effort should be made to get past-due accounts paid up so that customers are "open to buy." The collection follow up should be prompt and systematic.

Illustration No. 1. Here we have a collection letter sent by the Yeager Company. After the customary "impersonal" reminders have brought no results, an appeal such as this may well be used. It is important to find out *why* the account has not been paid. When the reasons are known, the collector is in far better position to decide the next step in the collection process.

Illustration No. 2. Evidently, this collection letter used by the M. O'Neil Company, is for the debtor who has resisted all amicable approaches and friendly appeals. It is sound procedure to send a letter under the signature of the Credit Manager after the Collection Department has gone through the entire routine. The tone of this letter is still cooperative . . . another opportunity is offered to the debtor to prevent serious action on the part of the store.

Illustration No. 3. This is an instalment account letter used by the Bear Furniture Company. Instalment account collection should be followed with especial vigor and consistency. If the payments originally agreed upon cannot be met by the debtor, the offer to renegotiate the contract allowing additional time, will often be very much welcomed by the debtor. Credit arrangements to fit the customer's ability to pay are not only good credit salesmanship but sound common sense.

Illustration No. 4. With so many people having been laid off in certain areas in recent months, a letter of this kind will be especially interesting to our readers. In this letter, Kramer's, having granted an extension of time to a temporarily unemployed debtor, now find that the customer is back at work and should resume payments on account, at least. When it comes to extending new credit after an account has been paid slowly because of unemployment, the wise manager of credit sales will recognize that the slowness was excusable and should not stand in the way of again serving the unfortunate customer on a credit basis.

The Yeager Co.
AKRON'S QUALITY STORE
AKRON 8, OHIO

(1)

Mr. John Doe
1234 Anywhere Street
Nowtown, U.S.A.

Dear Mr. Doe:

There must be some reason why you have allowed your account to become so seriously overdue.

If there is anything wrong, take us into your confidence. You will find us more than willing to help you, if we know what your intentions are.

Don't let your credit standing in the community be impaired. We will gladly help you protect it, if you will send us your remittance, or make some explanation by letter, or personal call within the next ten days.

Yours truly,

THE YEAGER CO.

Credit Department

Bras Furniture Company

71 South Main Street

Akron 8, Ohio

WElock 4-5155

(3)

Dear Customer:

We have just completed an audit of our accounts and we find that the contract set up for you in 19__ for __ months has expired.

We know that you want to maintain your good credit standing, however we realize that you may not be able to bring your account up to date at this time. Therefore, if you will contact our credit department either in person or by phone within the next 10 days we will be pleased to renegotiate your contract for the length of time necessary to liquidate your account.

We look forward to seeing you.

Very truly yours,

THE BRAS FURNITURE COMPANY

A. Egan
Credit Manager

THE M. O'NEIL COMPANY

Main, State and Center
AKRON

Office of
THE CREDIT MANAGER

Blackout 5-1131

(2)

Our collection department advises that they have exhausted their efforts to obtain satisfactory settlement of your account and now refer the matter to me for final disposition.

It is very difficult for a Credit Manager to decide when to resort to legal action as he is ever fearful that he may do the customer an injustice.

No further action will be taken until you have had the opportunity to communicate with us or to send your remittance in full of your indebtedness.

Very truly yours,

THE M. O'NEIL COMPANY

G. W. Brandes
G. W. Brandes
Credit Manager

Kramer's

122 SOUTH MAIN STREET
AKRON 8, OHIO
WE 4-5155

(4)

August 14, 1958

Mr. Walter Small
100 West Main Street
Akron, Ohio

Dear Mr. Small:

Several weeks ago you reported to us that you had been temporarily laid off from your work and would be unable to make the payments on your account as agreed.

We now understand that you are back at work and would appreciate your stopping in at our office and making arrangements to pay the balance of your account. We ask your cooperation in this matter as we are anxious to clear up your account and be ready to serve you for your future clothing needs.

Sincerely yours,

KRAMER'S

DOBB AND STETSON HATS
EAGLE CLOTHES

MEMBERS OF AKRON CREDIT COUNCIL, INC.

KUPPENHEIMER CLOTHES

MUNN BUSH SHOES
BOTANY CLOTHES



★ Items of Interest From the NATION'S CAPITAL

JOHN F. CLAGETT, Counsel, National Retail Credit Association, Washington, D.C.

Regulation of Budget Planning in the District of Columbia—a Challenge to Survival—Starting about 1955 or 1956, and following the national pattern, so-called debt pooling or debt adjusting became an active problem in the District of Columbia. Advertisements appeared in the daily press under the heading: "Let us pay your bills!" They stated: "We will consolidate all your bills in one payment that you can afford to make each pay day with one payment and one place to pay. . . . Get out of debt by bringing us all your bills and instalments and your worries will be over."

On the first day of the commencement of the 85th Congress, Representative Broyhill (R. Va.), a member of the District of Columbia Committee, introduced H. R. 573, a bill "to prohibit the operation of budget planning services in the District of Columbia," and providing a criminal penalty for violation thereof.

Hearings before a subcommittee were held on May 7, 1958. This resulted in an entirely new bill which the full committee approved. It passed the House on August 12, but died in the Senate for lack of action prior to adjournment.

Comment in the House report is revealing as to the type of information coming before the Commissioners of the District of Columbia and the District Committee as to the character of debt pooling or budget planning operations in the District of Columbia. In acid terms it stated: "The budget planning business unfortunately seems to have its attractions for the poorly educated, or ill-informed, or gullible person, with its offer to plan his finances in such a way that all creditors will be satisfied." The report noted that such services are usually rendered for a fee, which may range from 18 to 25 per cent of the amount of the total debt involved. That the usual practice is for the operator of the budget planning service to collect his fee first, which delays any payment on the debts of the debtor, and that the debtor is placing himself further in debt. The Commissioners, the report states, "fail to see any economic or social justification for the business of budget planning." However, that to attempt to restrain or absolutely prohibit a business as proposed in H. R. 573 might be unconstitutional.

The amended or, in fact, new bill that emerged, instead of being prohibitory, was regulatory in character. Its principal features, with plenty of teeth in each of them, included: (a) the requirement for an application for license under oath; (b) an investigation to determine whether "the financial responsibility, experience, character, and general fitness of such applicant" are such as "to command the confidence of the community and to warrant the belief that the budget planning business of the applicant will be operated honestly, fairly and efficiently in accordance with the purposes of this Act," together with the deposit of \$50.00 to cover the cost of such investigation; (c) applicant to give bond in the penal sum of \$5,000; (d) that a license fee of \$250, renewable annually, be paid; (e) that applicant appoint

the Commissioners of the District of Columbia attorney to accept service; (f) provides detailed requirements covering the budget planners dealings with both debtor and creditor; (g) the Commissioners to make such rules and regulations as may be necessary for the enforcement of the Act, including "an annual examination of the affairs, business, office, and records of each licensee," and that such examination may be delegated by the Commissioners to an independent public accountant at a cost not to exceed \$150 to be assessed against the licensee; (h) that each licensee annually file with the Commissioners a report "giving such information as the Commissioners may require relevant to the business and operations during the preceding calendar year"; and finally (i) that any licensee or member of a licensee firm who shall violate any of the provisions of the Act shall be punished by fine of not more than \$500 or by imprisonment of not more than six months, or both.

The Legislative Committee of N.R.C.A. on May 2, 1958, a few days prior to the House subcommittee meeting referred to above, had recommended a licensing procedure, giving bond, and similar provisions (see *The CREDIT WORLD* July 1958, page 26).

However, the stringency of the provisions contained in the House District Committee bill are noteworthy. Before such regulatory provisions debt pooling or budget planning will indeed have to prove its economic and social justification, or perish.

The 85th Congress and Small Business—Senator Sparkman (D. Ala.), Chairman of the Senate Select Committee on Small Business, inserted in the *Congressional Record* issued September 12, 1958, a summary of small business achievements of the 85th Congress. Senator Sparkman stated: "Any appraisal . . . of the efforts of the 85th Congress to help the small businessmen of our nation must conclude that more meaningful small business legislation was enacted by the 85th Congress than in any other Congress." Senator Sparkman cited in particular (1) Public Law 85-536 which conferred permanent status on the Small Business Administration; (2) Public Law 85-699, the Small Business Investment Act of 1958, designed "to meet the proven and legitimate needs" of America's smaller enterprises for more adequate sources of long-term credit and equity capital; and (3) the small business tax revision act which provides relief to small concerns from certain provisions of the Internal Revenue Code of 1954.

Impressive Tourist Record Indicates Some Business Has Been Very Good—The Washington Convention and Visitors Bureau (a branch of the Washington Board of Trade) reports that Washington, D. C. has had its best tourist season in history this year. Tourist expenditures during 1958 have been running about six per cent higher than in 1957 when 6,246,729 tourists (and 300,000 national convention visitors) spent a total of \$352,000,000, a figure second only to the Federal government payroll itself. ★★★

Credit and Collection Procedure

Credit Sales in the Future

THE QUESTION today is no longer "How's business?" but "Where's business?" This implies search, and that is where you come in. Every sale, every problem is sufficient unto itself—an individual situation requiring individual study and decision.

Never in the history of modern retailing has the oneness of credit and sales been so emphasized. Never before has the credit executive had more opportunity to prove the creative and dynamic function of his assignment, or to lift himself in the estimate of top management. Let the credit executive not be deluded by the mirage of cost-cutting, especially when it destroys his own effectiveness in serving his company. If we have to sell our way out of this recession, we have to spend intelligently. There is no limit to the building of sales volume, but there is a definite limit to cost-cutting. No trucker can cut costs by using less gasoline but he can cut costs by improving the speed and power of his fleet.

Anybody can sell to premium accounts in a seller's market. But it takes real credit understanding of the nature of the risk to select marginal accounts and build volume. A preview of the account is an important aspect of selling today.

Someone with executive experience and judgment in credit relations has to review the situation frequently, altering decisions to meet the shifting position of the account. The idea that you can mechanize, formalize, and standardize the credit department and make it loss proof is just nonsense. Customers are people and they react to the human equation, not the statistical. Penny-pinching in the credit department will result in profit-pinching.

There are many thousands of dollars of potential sales volume in the credit department's files, and twice as much in the alert imagination of the credit executive who knows his accounts. Top management today is vitally concerned with the major problem of stimulating demand for merchandise. The credit department plays an important role in creating the avenue whereby the consuming public may secure this merchandise and thus stimulate the markets. You must gear your credit department to do a booming credit business; do it fast and do it on a safe basis. Today we must have objectives, not objections to credit sales.—Dean Ashby, *Credit Manager*, The Fair, Fort Worth, Texas.

Responsibility of a Reference

WHEN A reference is given, naturally someone is expecting an accommodation. He or she may desire to purchase a pair of shoes, dress, suit of clothes, furniture, automobile, hardware, groceries and even a prescription at the drug store. He or she may want to borrow money or even purchase a home.

Before the credit account can be opened, an investigation has to be made in order to ascertain whether or not

the applicant has the ability to liquidate the obligation in a prompt and satisfactory manner.

Past performance, or experience, plus other facts, of course, indicate the ability and willingness of the applicant to pay and pay promptly.

Naturally a person, applying for credit, expects the firm that he or she has spent money with and which is given as reference, to cooperate by lending their experience. How else can he or she be proven?

The majority of businesses in the United States nowadays check an applicant through their credit bureau, headquarters for credit facts and a reservoir of information.

In case the in-file credit report does not tell the full story then the credit bureau is called upon to act for the inquirer and to investigate the applicant by calling references, plus the clearing of all other leads appearing on the original file report. Many calls have to be made.

Good will, in many instances, costs quite a lot. Much money is spent in advertisements in order to induce the customers to come into the store and rightfully so. How is the customer treated when he or she is in your establishment? How is he treated after leaving? You desire his or her good will so that continued business relations may be pleasant and profitable. Your customer wants your good will and cooperation in return, and naturally so. Who is it that would refuse to help a good customer?

When the credit bureau calls for information, we are only calling upon the request of a member and acting for him. Your customer desires to make a credit purchase of some kind and expects your cooperation and rightfully so.

When the inquiry is channelled through the credit bureau, 60 per cent are answered immediately from the in-file report, thereby leaving only 40 per cent to be investigated. This reduces the ordinarily direct calls by 60 per cent. A big savings in time and money for everyone.—V. A. Rogerson, *Manager*, Credit Bureau of Clarksburg, Clarksburg, West Virginia.

Consumer Credit for July

CONSUMER INSTALMENT credit during July continued to decline after allowance for seasonal factors, but the decline of \$32 million was less than in other recent months. Extensions of instalment credit at \$3,342 million during the month were about \$80 million above the rate in the second quarter of the year, reflecting principally an increase in extensions of credit for the purchase of automobiles and other consumer goods. Repayments at \$3,374 million were practically unchanged from the average monthly rate in the second quarter of the year. Automobile paper accounted for all the decline in outstanding consumer instalment credit in July. Other consumer goods paper increased \$24 million and personal loans increased \$67 million while repair and modernization loans were unchanged. Total noninstalment credit outstanding increased \$54 million during the month, after allowance for seasonal influences. This reflected increases in charge accounts and service credit. Total consumer credit increased \$22 million.—Federal Reserve Board.

LOCAL ASSOCIATION *Activities*



Great Falls, Montana

The new officers of the Credit Association of Cascade County, Great Falls, Montana, are: President, Edward Novis, H-O Auto Supply; Vice President, William Sprinkle, First National Bank; Treasurer, Hugh Spall, Credit Service Company; and Secretary, F. W. Anderson, Credit Bureau of Great Falls.

Womack Course at Indianapolis

SHOWN BELOW is a picture of the 161 people comprising the management group of The Indiana National Bank, Indianapolis, Indiana, and its many branches attending the *Public and Human Relations in Business* course conducted by S. H. Womack. This course was held in August as an in-group for members of the Indiana National Bank only.

In a letter to Mr. Womack from Wilson Mothershead, president of the bank, he said, "It was a great pleasure and an inspiration to all of us who were able to attend your course. I have talked to many of our personnel who were in attendance and they all, without qualifications, said that your message, and the way you drove it home, was bound to be of tremendous value to them. Congratulations on the forceful and very interesting way in which you presented this subject."

In May, 1957 the National Retail Credit Association added this new course to its educational program. From all reports the courses have been highly successful wherever they have been held. We urge every community to avail themselves of this course at the earliest opportunity. There are several open dates on Mr. Womack's fall itinerary. For full details of the course and dates available write the National Retail Credit Association, 375 Jackson Avenue, St. Louis 5, Missouri.

West Palm Beach, Florida

The new officers and directors of the Credit Managers Association of Palm Beach County, West Palm Beach, Florida, are: President, Bruce M. Reade, Palm Beach Machinery and Supply; Vice President, Sam Kreiger, Merchants Collection Service; Secretary, Earl B. Cromartie, Credit Bureau of Palm Beach County; and Treasurer, Robert E. Leis, Florida National Bank. Directors: David Rollins, Belks Department Store; Wynona Moseley, Palm Beach Clinic; Thomas Hogarth, Bank of Palm Beach; Dorothy Abel, Burdine's; H. B. Dawson, Halsey-Griffith, Inc.; and Ben Wolfson, Freman's Men's Store.

Albany, New York

The 1958-1959 officers of the Retail Credit Association, Albany, New York, are: President, Gaylord Mussey, W. M. Whitney & Company; Vice President, Charles Schneider, Mechanics & Farmers Bank of Albany; Treasurer, Charles Dedrick, Borden's Milk Company; and Secretary, Mrs. Mary Howe, Industrial Bank of Commerce of Albany.

Spartanburg, South Carolina

The 1958 officers of the Retail Credit Association, Spartanburg, South Carolina, are: President, Robert L. Wynn, Aug. W. Smith Company; First Vice President, Ben Alford, Commercial National Bank; Second Vice President, Robert L. Handell, First Federal Savings & Loan Association; Secretary-Treasurer, Perry Slaughter, Credit Bureau of Spartanburg. Directors: William J. Burroughs, Citizens & Southern National Bank; Ed Oxley, Willard Tire Store; and David Bishop, Bishop Furniture Company.



Burlington, North Carolina

The 1958 officers and directors of the Burlington Merchants Association, Burlington, North Carolina, are: President, Gordon Marshall, Mebane Shoe Company; Vice President, C. F. Neese, Jr., Neese Jewelry Company; Treasurer, M. J. Samuels, Wachovia Bank & Trust Company; and Secretary-Manager, George D. Colclough, Merchants Association. Directors: Pat Hay, Curran & Hay; Graham White, Acme Drug Company; M. J. Samuels, Wachovia Bank & Trust Company; John Hay, F. W. Woolworth Company; W. T. Mottinger, Tire Sales Company; Finley Atkisson, B. A. Sellars & Sons; Wallace Umberger, Kroger Company; W. B. Neill, Jr., J. C. Penney Company; David Nuckles, Guye's Dress Shop; Al Alston, Western Auto Store; Staley Garrison, G. & A. Finance Company; Joe Holmes, Holmes & Lee; Marvin Holt, Jr., G. Marvin Holt, Inc.; Jack Pritchett, Gulf Oil Company; and Jack Starnes, Radio Station WFNS.

Wilmington, Delaware

At the annual meeting of the Credit Granters' Association of Wilmington, Wilmington, Delaware, the following officers and directors were elected: President, Carlton Davis, Wilmington Collection Service; First Vice President, Esther Jacobs, Jacobs Fuel Company; Second Vice President, Dorothy Gaska, Arthur's Apparel Shop; Secretary, A. J. King, Kennard's; and Treasurer, Clifford Sayles, McDaniel Enterprises.

Everett, Washington

The 1958 officers and directors of the Associated Retail Credit Managers of Everett, Everett, Washington, are: President, Mrs. Anna Edwards, Chester Beard Shoes; Vice President, Signe Hjermstad, C. C. Chaffee Company; and Secretary-Treasurer, Helen B. Sawyers, Credit Bureau of Snohomish County. Directors: Alice Ratcliff, Rowland Sales; James Price, West Coast Telephone Company; Pearl Rodland, Mullen Pharmacy; Mabel Lindberg, Sheratons; and Harry Williams, Sears, Roebuck and Company.

Lubbock, Texas

At the annual meeting of the Retail Credit Executives of Lubbock, Lubbock, Texas, the following officers and directors were elected: President, Donald M. Tapp, First Federal Savings and Loan; First Vice President, Jack S. Christie, Dunlaps; Second Vice President, Russell Tarrance, Scoggin-Dickey Buick; Secretary, Zelda Herman, Thomas Bros. Office Supply; and Treasurer, Mrs. Laverne Ray, Earl Ray Band Company. Directors: Steve Meinecke, Meinecke Bros. Hardware; Lavenia Julian, S & Q Men's Clothiers; and William Knight, Kuykendall Investment.

For Sale

Credit and Collection Bureau in Southern Colorado established in 1911. Includes real estate with office and residence. Population 12,700. Trade area 24,300. Retiring January 1, 1959. Box 10581, The CREDIT WORLD.

IT'S A NATURAL!

That's what credit managers
say about **REACTIVATION**
with
reply-o-letters

Stores get as much as
40% response from their inactive
using **REPLY-O-LETTERS.**
and the cost is LOW!

For interesting samples of successful
reactivation letters write to:

THE REPLY-O PRODUCTS CO.
7 CENTRAL PARK WEST, NEW YORK 23, N. Y.

Centralia, Washington

The 1958-1959 officers and directors of the Lewis County Business Men's Credit Association, Centralia, Washington, are: President, John D. Batt, National Bank of Washington; First Vice President, Seymour T. Anderson, National Bank of Commerce; Second Vice President, Delmer L. Olson, Uhlmann Motors; Secretary, E. D. Truett, Credit Bureau of Lewis County; and Assistant Secretary, J. E. Truett, Centralia Federal Savings & Loan Association. Directors: Otmar Voegelé, Pioneer Feed & Seed Company; Al Helena, Helena's Specialty Shop; Mrs. Marjorie Coburn, Coburn's Furniture & Appliance; Jim Brooks, Bartel's Men's Store; Donald A. MacDonald, Rowland Lumber Company; William R. Arkell, Firestone Stores, Inc.; Reg Lester, Reg Lester's Service; Jack E. Dugaw, Burnett's Jewelers; Stella Moll, St. Helens Hospital; and Belle Meyers, Seip and Hansen.

Sarnia, Ontario, Canada

At the annual meeting of the Credit Granters' Association of Sarnia, Sarnia, Ontario, Canada, the following officers and directors were elected: President, Herson H. Armstrong, Keelans Limited; First Vice President, John F. Gracey, Lambton Motors; Second Vice President, James Moffat, Sarnia General Hospital; Treasurer, William J. Cox, Bill Cox Men's Wear; and Secretary, Bert Ainsworth, Credit Bureau of Sarnia. Directors including the officers are: B. S. Phippen, Phippen Furniture Company Limited; and C. F. Anderson, Hutchinson Floor Service. The annual meeting is held in September of each year.

Two Educational Opportunities

WE ARE HIGHLY gratified at the outstanding success of our two field instructors, Sterling S. Speake and S. H. Womack. Mr. Speake teaches *Retail Credit Fundamentals* and Mr. Womack teaches *Public and Human Relations in Business*. Both are excellent instructors and all comments from communities in which they have appeared are uniformly laudatory.

The National Retail Credit Association considers as one of its prime purposes the encouragement and promotion of educational courses such as these mentioned above. There is constant need for this kind of streamlined and professional education in the field. When better understanding of the basic principles of retail credit administration and of the art of developing better public relations is brought about as a result of these schools, the entire business community benefits and the retail credit structure is improved and stabilized.

These courses are sponsored by the National Retail Credit Association and carry our hearty recommendation and approval. Local sponsorship is provided by the local retail credit associations, credit women's breakfast clubs, local credit bureaus and other interested organizations. Each school lasts three nights and sessions are from 7:00 p.m. to 10:00 p.m.

Sterling S. Speake received the degree of Bachelor of Business Administration from the University of Texas, School of Business Administration in 1937. From 1937 to 1942 he was associated with the Retail Merchants Association, Austin, Texas. For five years during World War II, he was an Air Force Administrative Officer. From 1947 to 1953 he was on the staff of the University of Texas, Division of Extension,

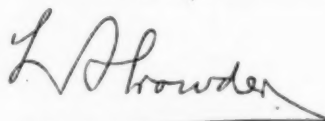
as a Retail Credit Specialist. Since February 1, 1953, he has conducted several hundred credit schools for the National Retail Credit Association throughout the United States and Canada with a total enrollment of over 15,000.

S. H. Womack is a training consultant in public relations and personnel management. He spent 15 years in the field of distribution on an executive level, and is thoroughly familiar with problems in the fields of credit, personnel, and public relations. He spent six years as an instructor on the staff of the University of Texas, Extension Division and has done special instructional work for the University of Houston. He has conducted over 300 classes in some 150 cities in Texas and other states, training approximately 15,000 people.

Detailed information about the schools will be gladly sent on request to your National Office. Because both instructors are highly popular and in great demand, arrangements for their appearance must be made far in advance. Itineraries are now being completed for the remaining months of 1958 and for the entire year of 1959. We earnestly urge local retail credit leaders to take the initiative in launching plans to bring Mr. Speake and Mr. Womack to their communities. You will be offered suggested open dates.

Training and retraining in the basic skills of retail credit administration are essential. Times are moving rapidly and conditions changing. Theories and practices once considered modern are now obsolete. Here are two wonderful opportunities to bring valuable modern professional educational courses right to your own community.

Write today for full details.



General Manager-Treasurer
NATIONAL RETAIL CREDIT ASSOCIATION

APPLICATION FOR CREDIT
FOR EXCLUSIVE USE OF MEMBERS OF

NATIONAL RETAIL CREDIT ASSOCIATION



LAST NAME		FIRST NAME	INITIAL	AGE	HUSBAND'S FIRST NAME (WIFE'S MAIDEN NAME)	
RESIDENCE ADDRESS				TELEPHONE		
OCCUPATION				HOW LONG		
NAME OF EMPLOYER				BUSINESS ADDRESS		
FORMER BUSINESS OR OCCUPATION				AMOUNT OF MORTGAGE		
LOCATION OF REAL ESTATE OWNED				NUMBER OF CHILDREN AT HOME EMPLOYED		
RENT HOME <input type="checkbox"/>	RENT APARTMENT <input type="checkbox"/>	BOARD <input type="checkbox"/>		ADDRESS		
NAME OF NEAREST RELATIVE AND RELATIONSHIP (OTHER THAN HUSBAND OR WIFE)						
PERSONAL REFERENCE						
NAME OF BANK		CHECKING <input type="checkbox"/>		SAVING <input type="checkbox"/>		BRANCH
LIFE INSURANCE		NAME OF INSURANCE CO.		APPROX. INCOME		\$
TRADE REFERENCES						
NAME OF BUSINESS		KIND OF MERCH. SOLD		ACCOUNT \$ NOW		PAID \$
<small>I, THE UNDERSIGNED, OF THIS APPLICATION, UNPAID BALANCES ON INSTALLMENT ACCOUNTS AND MONTHLY PAYMENTS THEREON. THE ABOVE INFORMATION IS FOR THE PURPOSE OF OBTAINING CREDIT AND IS WARRANTED TO BE TRUE. I AGREE TO PAY ALL BILLS UPON RECEIPT OF STATEMENT OR AS OTHERWISE EXPRESSLY AGREED.</small>						
DATE				SIGNATURE		
CREDIT LIMIT		APPROVED				

PRINTED IN U.S.A.
FORM NO. 1

Four Good Reasons—

—Mr. Manager of Credit Sales, why you should be using this
new revised Application for Credit:

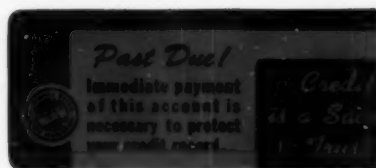
- | | |
|---|--|
| <p>1 ➔ Designed for you by outstanding authorities who are N.R.C.A. members.</p> <p>2 ➔ Gives you the important information to properly evaluate the account.</p> | <p>3 ➔ Helps your Credit Bureau prepare report by providing all necessary information.</p> <p>4 ➔ Your customer will appreciate the ease and speed of the interview.</p> |
|---|--|

Size 6" x 9", 100 to the pad.
100—\$1.25, 500—\$5.00, 1,000—\$8.50
Postage is extra

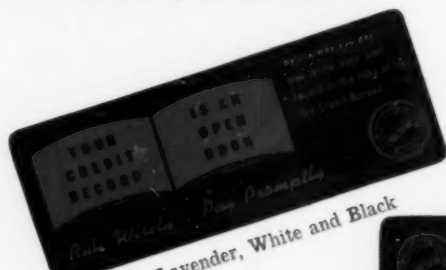
NATIONAL RETAIL CREDIT ASSOCIATION
375 JACKSON AVENUE ST. LOUIS 5, MISSOURI



C-1 Yellow, Blue and White



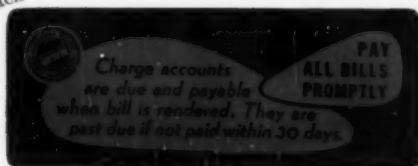
C-2 White and Black



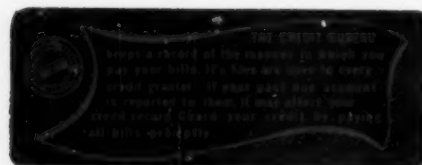
C-3 Lavender, White and Black



C-4 Yellow and Black



C-5 White and Black



C-6 Yellow, White and Black

Stickers are shown at two-thirds actual size.

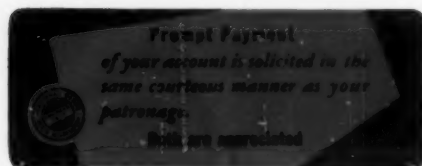
Prices are:

500\$2.25
1,000 4.00
1,000 (assorted) 4.50

Write today for free sample kit showing full line of these effective collection aids.



C-7 Chartreuse and Black



C-8 Red and Black



P-3 White and Blue

✓ Check These Six Statements Mr. Manager of Credit Sales

and you must agree that by using N.R.C.A.'s new collection stickers, you will be assured:

- ✓ 1. That your customer will receive the collection notice early.
- ✓ 2. That time will be saved. Many more hundreds of accounts can be handled during the day.
- ✓ 3. That money will be saved by reducing cost of writing expensive form notices.
- ✓ 4. That collections will be faster. Customers pay the firm who makes the first request.
- ✓ 5. That sales will be promoted. Customer deals with the firm where her account is liquid.
- ✓ 6. That your customer will not object to an inoffensive yet persuasive reminder.

Another service of

NATIONAL RETAIL CREDIT ASSOCIATION

375 JACKSON AVENUE

ST. LOUIS 5, MO.

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UNIVERSITY MICROFILMS
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ANN ARBOR, MICH.